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CENTRAL EURASIA



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U.S.-Russian Differences on Uranium Exports

934F0158A Moscow ROSSIYSKIYE VESTI in Russian
24 Feb 93 p 3

[Article by Nikolay Myakinnik: "The Unrecognized Strength of Russian Uranium: Cooperation or Competition—What Will Tilt the Scales in the Rivalry Between the Russians and Americans in the Uranium Market?"]

[Text] There are spheres in which the scale of our opportunities and the level of our technologies are comparable to the Americans'. One such field is the nuclear industry. For the West this is a bugbear facily associated with the dark shadow of Chernobyl. But for Russia it is a source of hard currency earnings that can not only breathe new life into our power engineering but also supplement the budget. Already today it is realistic to have an annual income from exports of uranium worth \$1.5-2 billion. And this can be built up very substantially. This Russian potential is very high and can perhaps be a major force in the competitive struggle in the world market.

According to the statistics, which are now quite open, 45 percent of the world's surveyed uranium reserves are located on the territory of the former USSR. Some 30 percent of them are found each in Russia, in Kazakhstan, and in Uzbekistan, and another 10 percent in Ukraine. Production of enriched uranium, has been concentrated in Russia. In terms of its potential it could realistically lay claim to 20-25 percent of world exports of uranium for power engineering instead of the present 5-7 percent. It is also known that the uranium stocks built up in Russia would easily be enough to ensure the uninterrupted operation of our power plants for 10 or 15 years. In the United States these stocks are 1.5 to two times less. Should we be looking for a more beneficial and favorable way to take this potential and put it in the service of the crisis we are enduring in power engineering and in the economy as a whole?

It is, of course, not only and not so much a question of mineral resources. The real trump card of which we can be rightly proud is our uranium enrichment technology. When they learned in the West that for more than 20 years we have been using a (for them) new technology, it caused a shock. Why? Everyone knows that the process of uranium enrichment is very complex and costly and has been mastered in only seven countries. In France, for example, two 1,000-megawatt nuclear power plants operate on enriched uranium. The diffusion method is used. But the centrifuge technology developed in Russia has made it possible to reduce energy costs by a factor of 20 or 30. Its use at four plants instead of diffusion was the equivalent of freeing up three nuclear power plants of the type in Leningrad. It is clear that our centrifuge characterizes what is best in the Russian scientific and technical potential.

There is no need to say much about the level that our nuclear industry has attained. It is recognized. Those same Americans concluded a contract with us to supply

uranium through the year 2000 after they become acquainted with the technology used in its production at the plant in Yekaterinburg. Incidentally, the United States is now facing the problem of upgrading its own uranium enterprises. This will take five or 10 years. Russia can play the role of insurer here. Thanks to this it can move to market 20-25 percent and maybe even 50 percent of its own uranium stocks.

Consequently, there are obvious instances in which the United States has recognized the merits of its competitor. There are also grounds for deepening trust and expanding cooperation.

It is indicative that the West watched us calmly while for two decades we traded only uranium enrichment services for foreign uranium.

But it roused itself when in 1990 we moved out into the world market with our own uranium. For this market had long since been divided between the 10 largest companies, which used to dictate their own rules of the game. The emergence of a threatening competitor in the person of the Russian nuclear industry brought them no joy. So they started throwing wrenches into the works.

The wave of rumors was connected with "contraband" uranium from the former USSR. They are saying that strategic materials are being exported almost under the counter and being transferred to just anyone. There is a lot of noise, but no certainty or proof. In reality both holding and exporting uranium is controlled in the strictest manner. And this is well known. It is simply that any rumor about leakage of uranium from Russia is actively used to squeeze it out of the foreign market. All possible kinds of fairy tales about "red mercury," which does not exist in nature, and heavy water supposedly used by the Russians to make nuclear weapons, serve to create guarded and mistrustful attitudes toward Russia, and at the same time a tempting item of income for new businessmen.

Other unfair charges leveled against Russia are that it is dumping uranium in the market, that is, selling it at prices below cost. But all the accusations have burst like soap bubbles because the essence of the matter lies in the advantages and efficiency of our technology, which, incidentally, make it possible to obtain uranium fuel better than world quality.

Objectively it must be recognized that the processing enterprises in Russia's nuclear industry have already grown their wings in commerce and are well versed in market conditions. The unprofitable ones have already fallen by the wayside. Moreover, the extremely low exchange for the ruble virtually covers all costs, and in this situation enriched uranium becomes our most profitable product. As a result we have no serious competitors.

It is suggested that the undisputed Russian leadership in the production and marketing of uranium fuel is not to

the liking of the United States. We have lost about \$200 million because of the antidumping investigation.

That is just one example. The agreement between the U.S. Department of Commerce and the Russian Ministry of the Nuclear Power Industry on halting the antidumping investigation signed in October last year provides for the removal of duties on exports of our uranium but lower quotas are set, associated among other things with the artificially raised prices. That is the mechanism whereby they want to slow us down. While the price is about \$8 a pound for natural uranium concentrate in the American market, a minimum price of \$13 has been set for Russia. With this a quota is opened up for us that can increase only if prices are raised. So, giving due consideration to the trend toward a general increase in the price of nuclear fuel, we can hope for increased earnings at least in the future.

But this is still not all. The plans of the American administration to subject uranium exports from Russia to controls have put us on our guard and alarmed us. Without any embarrassment it has demanded that it be given systematic and complete information about our exports and services with respect to uranium enrichment. Did we like this? Of course not! Just as we do not like the establishment of a market price for uranium at each subsequent period by the American side without any kind of agreement with Russia.

This is why the leadership of the Russian Ministry of the Nuclear Power Industry and the Tekhsnabeksport joint-stock company have made extra efforts to remove these discriminatory conditions. And the efforts have been crowned with success. The Americans have backed down, convinced that Russia is prepared to abandon the agreement that has been concluded.

They have chosen the lesser of two evils, because with the removal of Russia from the American market it would have started an intense movement into the European market and the market in the East. Incidentally, the first uranium enrichment plant opened recently in Japan turned out to be unprofitable. Japanese experts immediately concluded that it would be less expensive to buy fuel from abroad for a hundred years than to try to improve the new and very complicated technology. The encroachment

by the United States with total control over our exports has also been broken. In addition, on questions relating to pricing in their own market the Americans will consult regularly with our Tekhsnabeksport.

Russia's potential in the nuclear industry is such that there is no need to be led by the bridle either by the United States or by anyone else, despite the peripeteia of the competitive struggle. And today it is possible and necessary to switch this struggle to trade and other cooperation.

Incidentally, it is common knowledge that the greatest differences often become hardly noticeable against the backdrop of matters that in terms of their scale consciously require joint efforts by interested parties. And there are prospects for this kind of business. Life is leading us to the need to develop production facilities to process weapons-grade uranium and plutonium into fuel, which will significantly increase countries' energy strength. For the elimination of nuclear weapons promises a great deal of fissionable material. The experts point out that we can expect that both Russia and the United States will each have up to 100 tonnes of plutonium and up to 500 tonnes of uranium.

Processing of all these explosives is exceptionally complex, as are the technologies of so-called mixed and other fuels of the future. But it is precisely this that is also shaping the prestigious peaceful field that attracts the talents of scientists and engineers in the defense industry. Great opportunities are being opened up. As for today's realities, they have the same feature, namely, that one kilogram of weapons-grade uranium when mixed in a certain proportion with natural uranium provides 27 kilograms of fuel for power engineering.

A global agreement on a question of such vital importance for both countries could only be welcomed. Talks are already going on about this in the parliamentary lobbies. It is, of course, important to weigh the economic aspects over and over, because a reliable foundation for long-term cooperation will be the benchmark for mutual profit. And this prospect is the more tempting because with this step—not only destroying the most threatening swords but also beating them into plowshares—we can really embark on large-scale nuclear disarmament.

Petrovskiy Views UN Role in CIS Conflicts

934K0368A Moscow LITERATURNAYA GAZETA
in Russian No 6, 10 Feb 93 p 14

[Interview with Vladimir Petrovskiy, deputy secretary general of the United Nations, by correspondent Edgar Cheporov in New York; date not given: "United Nations: Preventive Diplomacy: Its Arsenal Could Include the Use of Force Also"]

[Text] In recent months the United Nations has been involved in the solution of more than 20 crises and conflicts. Representatives of this service have been active in Guatemala, Nagorno-Karabakh, the former Yugoslavia, Tajikistan, Haiti, Moldova, Georgia, and other countries.

The preventive diplomacy, geared to the achievement and preservation of peace, is described in an interview with a LITERATURNAYA GAZETA correspondent by Vladimir Petrovskiy, deputy secretary general of the United Nations.

[Cheporov] So the new international realities have confronted the United Nations with new tasks also. Among the most difficult: How to react to conflicts and crises and what to counterpose to them?

[Petrovskiy] The United Nations as an instrument for reining in conflicts—this idea was harnessed at the time the organization was created. Although such an approach was not entirely new even then. In the mid-19th century even Russian political thought proceeded from the fact that the problems of crises could not be resolved unilaterally and required multilateral efforts. Russia was the first to advocate international cooperation in the sphere of disarmament. An international disarmament conference was convened for the first time on its initiative in 1899.

The cold war put many barriers in the way of multilateral efforts. Now, however, the conditions where states, many states, moreover, can work together have been created. The end of the cold war has set the United Nations one further task—participation in the economic transformations in the world. Under public pressure, governments are coming to recognize that a state's strength and might lie today not in arms but in the level of its economy. But while having begun to put the emphasis on domestic matters, you have to give thought to the threat of conflicts and crises emanating on others' territory. No one can be fenced off from anyone.

[Cheporov] What significance, in your view, is attached under these conditions to multilateral diplomacy?

[Petrovskiy] In the cold war period the United States and the USSR engaged in unilateral actions, in the main. Both the Vietnam adventure and the Afghan adventure were just such phenomena. Today it is the business of all governments to ensure a normal external political environment in order to engage successfully in domestic matters. But this can only be done in the event of certain functions being transferred to international structures,

primarily the United Nations and the regional organizations under its aegis. International organizations today are cementing forces of interaction. They make it possible to reduce conflicts' destructive nature.

Undertaking preventive diplomacy, the United Nations and other international organizations are of assistance not only in political but also economic and environmental crises. The experience of these organizations is a mine of ideas for any state. I am astonished by the endless debate in parliaments on matters of legislation. Why reinvent the wheel? Study international conventions. Such documents exist on all issues, from conflict settlement through officials' behavior at the time of strikes.... Take this invaluable general experience and take account of the corresponding specifics, and answers to many questions will be found.

[Cheporov] What is being done in practice by the United Nations and its preventive diplomacy service in the sphere of conflict and crisis settlement?

[Petrovskiy] I would describe the United Nations as an international agency granting its services in the sphere of know-how in all types of conflicts and crises. But it is not only a question of consultations and information-gathering. The United Nations sends army subunits composed of the representatives of various countries into crisis zones and mounts peacekeeping operations.

Whether to send forces into some "flash point" or not is decided by the Security Council. Now, say, Georgia has requested that it send UN forces to its territory either as observers or with broader functions. Having evaluated the situation, the Security Council reaches certain conclusions. Only after this may the UN Secretariat embark on the formation of army subunits on an interstate basis. Peacekeeping operations are designed to put a stop to the use of force by the parties to the conflict, stabilize the situation, and help the population obtain humanitarian assistance.

The United Nations could prove useful also in instances where such operations are performed by regional organizations. The CIS countries are, as we all know, engaged in peacekeeping actions in Tajikistan. Both the CIS and Afghanistan proposed that the United Nations send a special mission to this region. Such a mission, composed of leading officers of the UN Secretariat, military personnel included, has already been dispatched. The United Nations, as an international organization, should serve as a guarantor of the fact that the military personnel from regional forces performing a peacekeeping mission are impartial toward the political processes which are under way in the region. Their sole task is to prevent bloodshed.

[Cheporov] But blood is being shed....

[Petrovskiy] Secretary General Boutros-Ghali proposed the idea of the creation of special, well-equipped formations whose purpose is to achieve a cease-fire and "impose peace" on the antagonists. The concept of such

formations has already been devised and is awaiting confirmation in the Security Council. The sooner this question is decided, the more chances for keeping the peace there will be. Not only in Yugoslavia but elsewhere also we are encountering a violation of the cease-fire agreements. In such cases the intensive intervention of UN forces is necessary, of course. Violations of cease-fire agreements need to be stopped most emphatically....

[Cheporov] What does "most emphatically" mean? By fire?

[Petrovskiy] Yes, by fire also. The United Nations is primarily a diplomatic and political organization, diplomacy and policy—this is our arsenal of weapons. But, unfortunately, this arsenal could also include the use of force as an extreme means of conflict elimination. The United Nations proceeds from the fact that the use of force to restore international legality is legitimate.

In the Iraq conflict the United Nations employed force to compel Baghdad to submit to the decisions of the world community. Had Iraq heeded the demands of the Security Council resolutions right from the outset, the need for force would, naturally, have disappeared.

I disagree with those who say that such resolutions are "foisted" on the Security Council by some people. This body consists of 15 members, after all. There are five permanent members, and if any one of them doubts the legitimacy of the actions undertaken, he may veto any decision of the Security Council. In addition, the four votes of the other members of the Security Council are needed for the decision to be carried.

[Cheporov] What conclusions, in your opinion, is the world community drawing from the dramatic events in Yugoslavia?

[Petrovskiy] The main conclusion is that we should not wait until a crisis assumes such bloody forms and such devastating proportions as has been the case in Yugoslavia. A kind of "precrisis warning system" should operate—and we have already prepared such. International missions should be sent to the area of a conflict which is brewing, and the United Nations should obtain information at first hand. One further lesson of the Yugoslav conflict is that we have recognized more clearly the danger of the unequal socioeconomic development of various ethnic groups. Political actions cannot be separated from efforts to equalize economic conditions. Otherwise—an explosion....

[Cheporov] Nonetheless, there is a feeling among the public that the UN peacekeeping force in Yugoslavia is largely helpless....

[Petrovskiy] There really is this feeling. But we should probably proceed from the fact that, were it not for this force, the picture could be even bleaker. Everyone wants a rapid result, I realize. But let us be realistic—international organizations began to concern themselves with the Yugoslav disease when the latter had been

severely neglected. The United Nations became associated with a Yugoslav settlement only last August. This is why no rapid cure is to be expected. It is very important to mention here that a unique political-diplomatic mechanism—the Geneva Conference on the Former Yugoslavia—is, albeit with difficulty and with malfunctions, still functioning, nonetheless.

[Cheporov] What is the UN view of what is happening in Russia?

[Petrovskiy] Russia is playing a tremendous part in the way in which the geopolitical situation in the world is shaping up. Not only Russia's own destiny but that of other peoples also depends on the situation in Russia. The United Nations puts an extraordinarily high value on the fact that Russia, one of the few countries of the former USSR, has proven capable of taking the path of democratic and economic transformations while avoiding or nearly avoiding serious conflict situations. After all, with the exception of the Ossetian-Ingush confrontation, there have been no military clashes in Russia.

This is all the more important in that our great state is in a process of transition to a new condition. Such cardinal changes could have been accompanied by the most serious military conflicts. But Russia has managed to avoid them. Russia is acquiring substantial moral and political capital thanks to the fact that it is proving its capacity for transformation without blood-letting.

[Cheporov] A few words about UN strategy in respect to the conflicts in Tajikistan, Georgia, Nagorny Karabakh, and other "flash points" of the CIS.

[Petrovskiy] UN strategy consists primarily of halting the bloodshed and rendering the populace assistance. We are prepared to render the Conference on Security and Cooperation in Europe, within the zone of which the conflict-gripped areas of the CIS are located, incidentally, the utmost assistance also. The interaction of the European and UN structures should be established. The United Nations is cooperating with the European structures on a "parallel constructivism" basis.

[Cheporov] But the situation in these areas is getting worse. Now one, now another party is appealing to the United Nations for assistance. Is the involvement of UN subunits in extinguishing such conflagrations possible?

[Petrovskiy] It all depends on the decision of the Security Council. The use of force is its prerogative.

[Cheporov] Nonetheless, could the Security Council dispatch troops?

[Petrovskiy] If nine votes, with the absence of a veto on the part of the five permanent members, are secured, such a decision could be adopted.

Minister Endorses Proposal To Build Inter-CIS Autobahn

934E0174C Moscow TRUD in Russian
24 Feb 93 Evening Edition p 3

[Interview with Russian Deputy Minister of Labor Igor Khalevinskiy by TRUD correspondent Sergey Buneyev, place and date not given: "Payments Could Be Made in Hard Currency: A 'Superbridge'—Utopia or Urgent Necessity?"]

[Text] The Russian press already has been bringing up the possibility of a new "project of the century"—building a modern superfreeway from the western borders of the CIS countries to the Pacific Ocean shore. Although the current state of our economy, as well as the domestic situation, does not seem to provide a predisposition for global projects, the idea already has gained ardent supporters. One of them is Russian Deputy Minister of Labor Igor Khalevinskiy, who is interviewed by TRUD correspondent Sergey Buneyev.

[Buneyev] Igor Vasilyevich, does it not seem to you that even bringing up this issue is, to put it mildly, untimely? The state does not have the money to meet the most immediate needs. Inflation, production decline, and suddenly—a supermodern autobahn...

[Khalevinskiy] On the contrary, I see this issue as very timely. Accomplishing this would allow Russia to quickly take its proper place among the leading countries of the world. Of course, you are right—today, given its difficult economic conditions, our country cannot undertake such a project alone. Solving this problem is possible only with the participation of international corporations, Russian entrepreneurs, Russia's state services, and international organizations.

[Buneyev] Will they be interested, though; will they want to invest the money? The risk is great, but will there be a return?

[Khalevinskiy] Russian territory itself has a great commercial value with respect to transportation of cargo, passengers, fuels, and information for the CIS countries and foreign partners. Remember, historically Russia has always been a bridge connecting the countries of Europe, Asia, and America. The road from the Varangians to the Greeks, the Great Silk Road, the Northern Sea Lane—can we imagine the history of development of human civilization without them? Today, when the period of confrontation is over, if we approach this issue correctly I think we will be able to find solid partners.

Moreover, I think that building the autobahn is only a component part of the future Russian transportation and information infrastructure. The base for the Eurasian transportation bridge already exists and is operating. Until recently about 70,000 foreign containers a year were transported via the Trans-Siberian Railroad. Of course, because of internal political instability the volume of freight has sharply dropped lately, plus the

speed is relatively low—up to 1,000 kilometers a day. In order to meet world standards and provide delivery of cargo from Vladivostok and Nakhodka to, for instance, Paris, a new railroad line will be needed, which can only use part of the existing track; this will require more than \$20 billion.

[Buneyev] So where can we get such money? Especially considering what you yourself just said: that because of internal political instability even foreign freight has fallen substantially. It is unlikely that we could currently find solid investors in this enterprise.

[Khalevinskiy] Well, perhaps today we will not. But I am certain that this project has a great future, and it needs to be started now. Its implementation will require tremendous preparation work on the part of government and state organs of Russia. A joint study together with the governments of other CIS countries will be needed. If we manage to get other states interested as well, this problem will have to be discussed at the level of international organizations.

As I see it, the first step in this direction could be an international scientific-practical conference with the participation of government and entrepreneurial structures, sponsored by the Ministry of Labor, where we could define and discuss priority tasks. As to Russia, the best solution would be to create a state-commercial center under the president, whose task would be to ensure favorable economic conditions for the development of the regions located along the proposed route, and attract foreign investment. This center also could become a legal member of a future international association for building and utilization of the route, which will also act as a client supervising the implementation of the projects.

As its contribution to the charter fund, Russia could confer the territory for the road, and supply labor, enterprises, and agricultural land for dealing with construction and utilization tasks. Foreign participants would provide hard currency, equipment, technology, and specialists. The income from utilization must be distributed between members in proportion to their investment.

[Buneyev] Although in the current situation the project looks like fantasy, it is impressive. As I understand it, the Ministry of Labor and you, as the new president of the International Association for Protection from Unemployment, have your own stake in this undertaking?

[Khalevinskiy] With the aid of such a "fantasy" project the United States was able to pull out of the crisis of the 1930's, by creating infrastructure that is functioning perfectly well even today. China is going along the same road today. And also with great economic results. As to our special interest, it undoubtedly exists. Realization of such a project will require bringing in enormous human resources, first and foremost specialists in the area of construction and building. After all, it is possible and makes sense to build along the main line a line for fuels

and energy transportation, information and communications transmission lines, and to develop infrastructure.

Resources that can be used in this include servicemen transferred to the reserves from railroad troops, pipelaying, construction, and pontoon units, communications troops, and other specialists. Former border troops will be needed to guard the construction and for customs control. Those wishing to work in the zone of the route will need to be provided with credit to build housing and to settle. By the way, labor remuneration could be done not only in rubles but also in hard currency.

Realization of this project would bring profit to all participants; for Russia, it would also allow it to relatively quickly solve the problem of providing employment for the population and for refugees arriving from other CIS countries without major financial expenditures, from foreign partners' investment. Utilization of the "superbridge" by itself would relatively painlessly for the budget help to accomplish the social and economic

development of the regions located along the route. In short, now I will be fighting for implementation of this project also in my capacity as president of a public organization.

[Buneyev] By the way, what does it do; what are its tasks and capabilities?

[Khalevinskiy] The International Association for Protection From Unemployment was established in December 1991 as a nongovernment public organization. Its creation was necessitated by the serious socioeconomic changes taking place on the territory of the former Soviet Union, and principal changes in the concept of social policy. Our goal is to take actions aimed at providing employment, creating new jobs, that is, preventing unemployment, as well as providing assistance to those population groups that are least competitive in the labor market. I would like to use this opportunity to ask all interested parties to join us.

POLITICAL AFFAIRS

Russian National Union Disobedience Call

934F0167A Moscow SOVETSKAYA ROSSIYA
in Russian 23 Feb 93 p 2

[Report from the Russian National Union Congress by
N. Garifullina: "Now or Never"]

[Text] I recall how in December 1991, at the First Russian National Union Congress, many of its participants predicted that the process of demolition of the united fatherland begun by Gorbachev and continued by the Belovezhskaya Forestites would bring the peoples of the Russian Federation a great disaster, although it was hardly possible at that time to recognize the depth and scale of the tragedy, as also of the scale of the treachery. But concern for the future induced people of different political views, religious beliefs, nationalities, occupations, and age groups to unite in a single union and to offer as a counterweight to Yeltsin's policy of demolition their own program of creation, the purpose of which is to make Russia a leader of world development.

A difficult year of struggle and final recovery of sight is over. The situation in the country has changed. The bitter prophesies have come true. The crisis in the economy and in the social sphere, the crisis of spirituality, the hotbeds of social explosions, the expansion of war zones and interethnic conflicts involving the use of weapons which have for the first time already overstepped Russia's borders—all this is a consequence of the deliberate, purposive demolition of the single federal state. What under these conditions should the strategy and tactics of the Russian National Union be?

There is a need to analyze and, if necessary, to adjust the policy line. The Second Russian National Union Congress, in which 528 delegates from 25 regions of the country took part, was held to this end on 21 February in Moscow. The item "The socioeconomic situation in the country and the position of the Russian National Union" was on the agenda. Naturally, the core of the debate was composed of recent events: the row surrounding the referendum scheduled for 11 April, the president's "initiative" concerning a constitutional agreement and the "top-level" negotiations. The fundamentals of the union's program and revisions and addenda to the rules were discussed at the same time.

Both the report of Sergey Baburin, people's deputy of Russia and chairman of the Russian National Union, and the program statement of the congress and many the speeches also said that the Russian National Union, formed as an organization of constitutional transformations, advocates the preservation of civic peace and changes in the interests of the majority of the populace securing the national-state interests of Russia, which is the historical successor of the USSR and the Russian Empire. For this reason the Russian National Union is a party of struggle for changes corresponding to the interests of Russia.

Nor were there differences in the evaluation of the president's proposal that within the next few days all political forces embark on a discussion of the constitutional agreement, which is not such. S. Baburin called this proposal absurd. "There can be no bargaining over respect for and observance of the Constitution. If we have a Basic Law, all transgressors thereof should be punished and removed from office," he said. In his opinion, it should be a question of a civic agreement and a joint program of a way out of the crisis. Unless there is such in the next few weeks, we will be left with the following: scenario one, concluding a civic agreement; two, a worse scenario, early elections in the fall of 1993; three, being prepared to embark in April or May on a civil disobedience campaign. "We are for the peaceful path, but we are for the opinion of the majority of the people being respected," the chairman of the Russian National Union emphasized.

The congress affirmed that the president's unleashing of political war against parliament and the soviets is the first step toward the establishment in the country of a dictatorship of the mafia-comprador bourgeoisie. B. Yeltsin said plainly in his last speech that the root of the present political tension is the cumbersome system of administration inherited from the past, which now appears in the character of the absolute power of the soviets. Why is the main attack and pressure of the president's team aimed at the destruction of the soviets? This question was answered by Anatoliy Lukyanov, chairman of the Supreme Soviet of the USSR: because all strata of society, primarily the population made destitute by these reforms, are represented in the soviets, and they could oppose the pressure of speculative-comprador, profiteering-perfidious capital. In Lukyanov's opinion, both the National Salvation Front and the Russian National Union should support their deputies at all levels, and only then will we be operating as a force capable of influencing the authorities. And it is far from fortuitous, he believes, that Western models of parliamentarianism and a presidency are being foisted on us: "not only Shakhrai's moustache and the cold eyes of Burbulis protrude here; this conceals the mortal grip of the transatlantic advisers of the Russian president of the Jeffrey Sachs, Kissinger, and Brzezinski type."

The congress declared unequivocally: "The dictatorship will not pass!" And there was one further very important moment of truth and recovery of sight—the call to unity heard from the lips of Gennadiy Zyuganov, leader of the revived Communist Party of the Russian Federation; Nikolay Pavlov, people's deputy of Russia; and Vladimir Gusev, representative of the Russian Communist Workers Party, which was ardently supported by the delegates.

The unity of the patriotic, strong-state forces, mass participation, recovery of sight, civic assertiveness, and civic resistance are essential for all of us—now or never.

Key Figures on Yeltsin, Parliament Fight

934K0382A Moscow ARGUMENTY I FAKTY
in Russian No 8, Feb 93 pp 1, 3

[Article by A. Uglanov and A. Zhdankin, including remarks by Russian politicians: "All Power to the Soviets?"]

[Text] In Shakespeare's tragedy "Romeo and Juliet" the deadly enmity of two families—the Montagues and the Capulets—culminated in the death of both Romeo and Juliet. But this was not the end of Italy. How the war between the legislature and the executive in Russia will end—only in the "end" of its furious representatives or of all Russian statehood—we can only guess.

Many people breathed more easily, it seemed, when the president made public a plan of a constitutional agreement clearly delineating "rights and obligations." To be perfectly concise, he proposed an end to the hacking up of the Constitution in respect to a change in the balance of powers and involvement if only for a year merely in economics and an end to the branches of power interfering in one another's affairs. In a word, the government should, as it is supposed to do, handle economic activity.

In turn, the chairman of the Supreme Soviet of the Russian Federation is insisting on a further truncation of the rights of the president and the government. The role of the Congress and, consequently, of all the soviets is ascending to an unprecedented height.

ARGUMENTY I FAKTY correspondents asked certain members of the Russian parliament and well-known politicians what they think of the constitutional agreement and the present political situation.

S. Baburin:

The constitutional agreement reminds me at times either of a phantasmagoria or the fruit of a sick imagination. There can be no bargaining around the Constitution—the Constitution must be observed.

The Second Russian National Union Congress has just been held. It formulated the following decision—to propose that all political parties and movements and the top officials of Russia immediately conclude a civic agreement, a kind of civic peace act. It is essential on the basis of this agreement to form a coalition government, in which, following consultations, we should allocate responsibility among all society's political forces. Unless decisions either on an "agreement" or early elections are adopted within the next two months, we will propose that the broadest public strata embark on acts of civil disobedience. The noise traveling between the upper stratum of the Supreme Soviet and the president reminds me of a game of politicians who are afraid to look realities in the eye. They are hiding behind this game their fear of reality. They are attempting by their exchange of fire and fratricidal strife to evade responsibility for the consequences of their actions which we are seeing.

One of the last democrats in the Supreme Soviet of the Russian Federation, L. Ponomarev, has a different position—one of utter pessimism:

An absolute rejection of what the president is doing was manifested in the Council of Factions of the Supreme Soviet. The discussion was imperiously composed: We will hold a Congress and cancel the constitutional decree adopted at the last Congress, and there will be no more problems. A referendum is unnecessary.

This, with the exception of three factions—Democratic Russia, Radical Democrats, and Accord for Progress—is what all the rest think. Even Deputy Chairman N. Ryabov opposed the abolition of Article 104 of the Constitution concerning the Congress—as the country's highest authority. Until the speaker's speech in Novosibirsk, Ryabov, as a lawyer, had no doubt as to the need for the abolition of this article.

But there "lives" in the Supreme Soviet between the revolutionary approach and pessimism another position also. M. Mityukov, chairman of the Legislation Committee:

We need to determine the positions in respect to which the president and the Supreme Soviet log differences between the legislative and executive branches of power. The conflict may be resolved only by way of the joint legislative initiative of the Supreme Soviet and the president at the Congress of People's Deputies.

The main contradiction, however, is between the principles of the separation of powers enshrined in the Constitution and the sovereignty of the Congress.

As far as new elections are concerned, I believe that there is more talk about this, but that inwardly many people are somewhat afraid. No political force can say with confidence what new elections might bring and what kind of new corps of deputies and what kind of president they would produce.

But let us turn to the presidential side.

Prime Minister V. Chernomyrdin:

I am opposed to all conflicts, given the present state of the economy all the more. Points of contact need to be found. Without the government's proper control over money issue, the State Bank, and the Bank for Foreign Economic Relations, the progress of the reform will be very difficult. The situation needs to be changed, I believe, in favor of fuller powers for the executive.

Vice Premier S. Shakhrai, the president's closest adviser:

Unless the referendum is held and a constitutional agreement formulated, we could be entering a nonlegal space. For some period of time all branches of power would continue to work in unbalanced fashion, and one of them might attempt to bring order to bear. None

would be successful here, and all would be driven out. In this time the state would continue to slither like jello on a plate.

The president said that he does not reject the possibility of early elections with observance of a mechanism of the smooth transition of power. The Supreme Soviet is silent on this score. R. Khasbulatov has spoken about this also, but he could at any moment say that this is just the position of one out of 1,040 deputies.

We have two governments: the Supreme Soviet with its executive-administrative structures and the Chernomyrdin government proper. Several shadow cabinets, which also have administrative functions, are, in addition, being formed in parallel. The Supreme Soviet has a Retirement Fund, Federal Property Fund, main banks, and several other bodies which distribute money without consultation with the government.

Everyone in our country knows that the Congress could "go a-peddling," but the office of president was introduced by referendum, and the Congress cannot abolish it by any vote without a referendum. It can express no confidence in a specific individual based on a finding of the Constitutional Court with observance of all the procedures of impeachment. The Congress of People's Deputies inserted in the Constitution the principle of the separation of powers, which, together with federalism, the power of the people, and a republican form of government, constitutes the four basic principles of our constitutional system. Provisions enshrining principles of the constitutional system always have priority over all other provisions. This is axiomatic. And it is a pity that the Constitutional Court is silent. There would then be no illusions that all can be abolished by a vote.

And here is the opinion of State Counselor S. Stankevich:

In my view, we need to give the president an opportunity to make more effective use of legislative initiative. The president should be given the right to define his legislative proposals as "urgent" and "immediate," which the Supreme Soviet could examine in accordance with a special accelerated procedure, which is employed extensively in the parliaments of many countries. Each power would retain its authority, but their interaction would be far more current.

It is essential also to revise the wording concerning the presidential veto and to override it with no less than two-thirds of the vote in parliament.

It is no less important to decide the question of the harmonization of the authorities in the fight against inflation. A solution which established that decisions of parliament entailing the expenditure of resources above a particular level are adopted only following consultation with the government could be adopted.

We will conclude the arguments of the presidential side with an extract from an interview M. Poltoranin granted to ITAR-TASS.

The slogan "All Power to the Soviets" did not justify itself in Lenin's time. The Bolsheviks' term in office showed that the soviets are ineffective. It was necessary to urgently strengthen the administrative system of the party as the core of the executive. In principle the CPSU was always not a party but a vertical executive. After the abrogation of Article 6 of the Constitution, when Russia went on autopilot, the president was called on to be this "vertical."

The Congress, as an instrument of power, is incapable of saving Russia from disarticulation since it is a mechanical sum of local interests. The attempts to "push aside" the president and create their own "executive structure" on the part of certain representatives of the Supreme Soviet of Russia would inevitably lead to the monopoly domination of that same mechanical sum of local interests and would be fraught with the most dangerous consequences, up to and including civil war.

Of course, it is hard for the normal individual to grasp all these fanciful political constructions. Let us, therefore, draw certain conclusions. The struggle for the power of the soviets is, it would seem, close to culmination. And inasmuch as there is in each soviet a "head," a principal "head" will appear also. The shaping of a regime of personal power and local leaders of the soviets will be completed together with this. Specifically, R. Khasbulatov, chairman of the Supreme Soviet of the Russian Federation, has already called in Novosibirsk for the appointment of the leadership of the local militia and state security with the consent of the soviets.

We have already had this in our country—in the 1930's. At that time people threatened at mass meetings, appealed to the people, and caught spies (now "agents of influence") in the same way. Deputies were "educated" at that time also—with awards, promises of "chairs" and, frequently, threats also.

But, while supporting the aspiration to absolute rule, Russian members of parliament are forgetting that in the 1930's their colleagues were simply wiped out, as undesirable witnesses. They did not anticipate such an outcome either.

So what are we approaching? The Congress, the Supreme Soviet, the local soviets.... A ready-made power vertical, into which many party functionaries who were unsuccessful in (or had no desire for) going into commerce, poured.

What can the president do in this situation? Sitting with his arms folded means signing his own death warrant. The constitutional measure remaining is prior to the opening of the Congress to address a session of the Supreme Soviet and conduct a joint meeting with it. Let the deputies hear the president, they will disagree on some points, perhaps, but on some they will find a way

out of the crisis also. And so that Russian citizens may themselves see who is seeking what and who wants what, the meeting should be broadcast to the whole country and should go on until a clear decision is adopted. All this could be done at the special Congress to be held in March, for that matter.

...A thousand years of history know of such time-tested examples. Cardinals of the Roman Catholic Church elect a pope by immuring themselves in a chapel. No one may leave until a decision has been made. As far as we know, there have been no casualties during this procedure as yet, and the church lives and remains beloved of the people. Which cannot be said of our authorities.

So B. Yeltsin has made his move, R. Khasbulatov also. The next move is the president's once again.

P.S. According to certain information, B. Yeltsin is studying the possibility of the formation of a coalition government. A number of reports, for whose reliability we cannot vouch as yet, testify that the president could offer A. Rutskoy the office of prime minister. And V. Chernomyrdin would become vice premier once again.

Baburin Calls for 'Civic Agreement'

934F0186A Moscow *FEDERATSIYA* in Russian
No 21, 23 Feb 93 p 2

[Article by Aleksandr Kastravets: "Offensive on the Eve of Change?"]

[Text] Some 528 participants representing 25 regions of Russia were present last Sunday at the Second Russian National Union (RNU) Congress. The entire flower of the opposition considered it its duty to attend this meeting: Major General Sterligov, Colonel Generals Makashov and Achalov, Colonels Alksnis and Petrushenko, Lukyanov, former chairman of the Supreme Soviet of the USSR, Zyuganov, the present chairman of the Communist Party of the Russian Federation Central Executive Committee, and many other politicians on the other side of power.

The leader of the RNU, Sergey Baburin, people's deputy of Russia, was quite diplomatic:

"We will continue to cooperate with the presidency since civil peace is important to us. But the president also should understand that the people's patience is not infinite and that the crisis today has reached a point at which constitutional illusions could be swept away by the spontaneous protest of the masses. And it will be inevitable if within the next few weeks a coalition government is not formed and a civic agreement between the political forces really influencing the development of the situation in the country is not signed.

"Every conceivable 'constitutional agreement' attended in actual fact by a departure from the Constitution or its arbitrary interpretation should be emphatically rejected, and the transgressors of the basic law, punished.

"Today we need to talk about a civic agreement and a joint program of emergence from the crisis. Otherwise it will be necessary to demand early elections in the fall of 1993, and unless they are held, we should be ready to develop a campaign of civil disobedience...."

Such is S. Baburin's opinion.

The draft program statement of the Second RNU Congress employed stronger expressions and opinions: "the promises and undertakings generously lavished by the clique of political adventurers which came to power in August 1991 have burst like a soap bubble"; "classical or revolutionary confrontation situations have taken shape: on the one side a tyrant surrounded by a small clutch of lickspittles, on the other, the people."

"Clique," "tyrant," "lickspittles," and other words clearly not taken from the vocabulary of diplomats are no credit to some of the participants in a movement which has proclaimed as fundamental "the slogan of civic patriotic unity and the surmounting of the division of people of Russia into 'reds' and 'whites'."

At the present stage the RNU, which has declared itself "the party of struggle for changes in keeping with Russia's national interests," is not of a peaceable disposition: "We state with all due responsibility that the president's unleashing of political war against parliament and the soviets is the first step toward the establishment in the country of a dictatorship of the mafia-comprador bourgeoisie. The danger of dictatorship is the main danger at this time."

In the opinion of Professor Andrey Andreyev, "the regime's strength consists of the lack of organization of the masses, a process of civil self-orientation is under way and people are prepared to do anything, but do not know how—we must help them here."

Another speaker—the leader of Russia's communists—Gennadiy Zyuganov, was even more laconic: "The fate of the state will be decided in the next two or three months. Let us set aside ideological differences...."

There were no differences at the congress, for that matter. The congress delegates demonstrated a unanimity and solidarity rare for our times.

The RNU congress, the All-Army Officer Assembly, and the communist congress should be seen as the start of a major opposition offensive. Whether the present struggle will bring about decisive change, time will tell. But, judging by the intensity of political passions in the latter half of February, we will, truly, not escape change.

Voltskiy Supports Prereferendum Compromise

934F0176A Moscow *TRUD* in Russian
26 Feb 93 Evening Edition pp 1, 2

[Interview with Arkadiy Voltskiy, president of the Russian Union of Industrialists and Entrepreneurs, by Olga Korabelnikova; place and date not given: "The Crisis of Power Should Not Be Dramatized"]

[Text] Aspiring to objectivity and a sufficiently full illustration of our contradictory social life, the editors afford the representatives of various political forces an opportunity to express their position in TRUD. Today the questions of our correspondent are answered by a leader of the Civic Union, Arkadiy Volskiy, president of the Russian Union of Industrialists and Entrepreneurs.

[Korabelnikova] When people talk about the Civic Union, they often mean Arkadiy Volskiy, considering him to be the principal character. The same in connection with the Renewal Union: Volskiy's party. On the one hand yours is the image of a powerful industrial magnate controlling large resources and shifting around the figures of the generals of industry. At the same time, on the other hand, there has been much said in the press in connection with the fact that the Civic Union is just another myth and that its leader, Volskiy, is a politician of a wholly different degree of influence than that which he attempts to present. What is the truth?

[Volskiy] Let us begin with the fact that I myself have never laid claim nor do I now lay claim to the role of leader of the Civic Union or Renewal. Primarily because on the Political Council of the Civic Union and the Coordinating Council of Renewal there are politicians of such stature that the leadership of any one figure is simply ruled out. Both these organizations are built on the principles of parity cooperation, with the right to an independent viewpoint. But we have one common denominator—a rejection of radicalism (left and right) as the current which has brought Russia to national catastrophe.

The second thing I would like to say about "leadership" is this: my main concern and principal office and vocation, my preoccupation, is work in the Russian Union of Industrialists and Entrepreneurs (RUIE). I am not dissembling in the least when I state that I lay claim to no state or political positions. What the RUIE is doing is, in my view, not only very important and necessary for the domestic economy but also of interest to me as a person. I give all my efforts and possibilities to this work with pleasure. I am proud that the RUIE has become established in society as a real and significant force and that a wide range of Russian enterprises and overseas partners are cooperating with it. I am pleased that the members of our union manufacture 64 percent of Russia's industrial product and that from morning until late at night I have meetings with emissaries of plants from the whole country. At the last assembly of the International Congress of Industrialists and Entrepreneurs (as president of the RUIE, I am the coordinator-chairman of this international organization) 22 countries, near and far, were represented.

As far as the "mythical" aspect is concerned, let us ask if only this question: Why at the December congress of the RUIE, to which more than 1,000 directors and entrepreneurs came, were the president of Russia and the entire "economic" part of the government and representatives of international financial centers in attendance? They

are not so naive, I would think, as not to understand that we are not "playing pick-up sticks."

It is the people whose hare-brained political and economic schemes have plunged the country into crisis and to whose utopias the Russian Union of Industrialists and Entrepreneurs has counterposed a constructive action program who are, it seems to me, engaged in myth-making. And when their bankruptcy was manifested in full and the president saw a real possibility of relying in his reforms on the broad social base of industrialists and entrepreneurs, it was at this point that the "excited imps" jumped out of the snuff-box. It was here that they began to unearth "conspiracies," "creeping revanche," and sundry nonsense.

I recently read Pitirim Sorokin's article "The Current State of Russia." How accurately he had even then, in the 1920's, defined the danger of "social illusionism" and how rightly he observed that furious revolutionaries and militant radicals become the greatest reactionaries for their peoples.

[Korabelnikova] But if we are speaking of the Civic Union as a political force....

[Volskiy] Is it not obvious that in recent months it is Civic Union which has increasingly confidently been gaining the leading positions in almost all sociological polls, whereas the actions of the ultra-radicals have been of an increasingly clinical nature?

I would once again emphasize a salient feature of the Civic Union: We base ourselves not on the principles of democratic centralism. We have no "militant squads," "organized cells," or "personnel activists," as in certain other parties. Although organizational incompleteness is, possibly, a weakness of the Civic Union. But we considered the priority another task: offering society an ideology of common sense and a sober evaluation of Russia's possibilities.

[Korabelnikova] Then tell us, Arkadiy Ivanovich, are the accusations of myth-making not further brought about by the fact that the Renewal Union, which emerged last year, literally simultaneously joined the Civic Union and was dissolved in it, as it were, as distinct from the Democratic Party of Russia and the Free Russia People's Party?

[Volskiy] There's no particular secret here. Renewal was created on the threshold of the bloc with the Democratic Party of Russia, the Free Russia People's Party, and a number of other movements and deputy factions which was already planned. The point being that the RUIE is not a political organization but a corporate association of industrial-entrepreneurial circles and business people of the most diverse beliefs. At the same time, however, this mass of directors and entrepreneurs was left outside

of the existing parties with their militant ideology. They needed their own "industrial party"—a cohesive, active, and organized force—for participation in election campaigns and for legitimate lobbying for their interests in the power structures and in society. Such a party requires no great mass involvement but is capable, thanks to a backbone of professionals, of rapidly mobilizing and developing into a mass organization.

[Korabelnikova] On the one hand Civic Union has decided, it seems, to express its attitude toward the April referendum only after its forum at the end of February, on the other, leaders of Civic Union like, for example, N. Travkin have already supported general early elections, and, yet again, the idea of a constituent assembly, which is being sponsored by the radical democrats, is not all that alien to you either, perhaps. What, in your view, really merits attention, and where does the danger lie?

[Volskiy] I severely doubt the capacity of a referendum to exert a positive influence on the political situation in the country. We are made wary by the fuss over its preparation and the unconcealed desire for victory. Of whom? The contrived problems of a lust for power are being substituted for life's real problems. Enough of heaping on mythical, nonexistent enemies the miscalculations and blunders of the reforms—they are on the conscience of the "geniuses" and blockheads, excuse the strong language. They have now "discovered," you see, America and recognized that the national military-industrial complex is not only, apparently, the "devil incarnate and cancer of society" but could also feed the country and be a reliable source of currency revenue. They have understood, finally, that mass farming cannot be created in a year and that breaking up the kolkhozes and sovkhoses is premature. They have seen, to their own astonishment, that commercial-speculative capital has absolutely no intention of investing in production. Via hunger, cold, unemployment, and the sufferings of ruined fellow citizens the politicians are beginning to understand that the result of the proud sovereignties and state independencies has been recognition of mutual economic dependence.

This is why the position adopted recently by President B. Yeltsin is more to my liking: attempting to solve all the contentious questions before the referendum within the framework of a political dialogue. What might thwart such a dialogue? Intolerance of the opinion of one's partners and a predisposition to opposition.

I was once watching on television a debate between supporters and opponents of private ownership of the land. One group was headed by Petr Filippov, the other, by Ilya Konstantinov. What I enjoyed most was their lack of weapons. It was not a dialogue but a duel: They were not concerned with an argument for getting through to the intellect of their partner but with spearing him through the heart!

As regards a constituent assembly.... Let us recall the summer of 1917. The intelligentsia, excited by the ideas

of February, nurtured the shining dream of the onset of an era of liberty and happiness, whose sunrise was to have been the Constituent Assembly. So, listen: "Created by no one as yet. And wholly unprecedented in Russia. What would it do—well, everything, apparently.... True, it was not understood in the thick of the people why it was necessary...."

Aleksandr Solzhenitsyn wrote this about April 1917. It seems to me that today's situation concerning a constituent assembly is very reminiscent of the situation in 1917....

[Korabelnikova] Do you see a possibility (and of what kind) of the country's escape from the crisis of power? Does it not appear to you that the soviets, as a system of state power, have finally outlived their time?

[Volskiy] Remember the English prescription for cultivating the amazingly even and beautiful grass? It is only necessary to cut the lawn regularly for 300 years. We, on the other hand, are bustling about, spurring the objective course of history and demanding the immediate formation of traditions, which take shape over generations.

The crisis of power should not be dramatized. More precisely, we should be in no hurry to heap all the sins on one authority (legislative, say) and idealize the other (executive, say). Both are in the formation phase, in a search for their place. This process is in itself complex and contradictory, and considering a number of personal traits of the leaders of the state, is, in addition, taking place in a nervous atmosphere. Under these conditions civic courage and maturity are displayed in, if necessary, cooling the quick tempers of our leaders, reminding them of the burden of responsibility which they bear, and demanding restraint and wisdom.

I would not "close the lid" on the soviets. We have altogether some feverish attraction to organizational transformations. What, have the mayors and prefects really introduced anything qualitatively new to the system of power?

There should be no hurry if only because the completion of privatization and the establishment of a class of proprietors will fundamentally change also the legal structure of our society and require a new status of the authorities. This is when it will be time to make a choice.

[Korabelnikova] What, in your opinion, might exert a greater influence on Russia's political life—the restoration of the Communist Party of the Russian Federation or the formation of the National Salvation Front?

[Volskiy] In my opinion, these are wholly noncomparable things. The National Salvation Front is, if you like, a gesture of political hysteria, a temporary phenomenon, with the dubious ideology of civil confrontation.

As far as the Communist Party of Russia is concerned, it will, in my opinion, be a very significant force with definite support in the masses also. Whether this force will be constructive or whether it will become the base of

those nostalgic for the past is an open question as yet. The recent Communist Party congress and the elected leadership are making a worrying impression. They lack as yet if only an honest analysis of their own miscalculations, and without this there can be no correct conclusions for the future.

Nonetheless, I considered unfounded the rash assertions that the base of the communist idea in Russia is exhausted. Even today there has been the restoration in the Russian Communist Party of almost half a million persons. They include, incidentally, many young people and students. The reason for this, perhaps, is not only the attraction of socialist ideas. It is, most likely, a form of protest against the cynicism and nihilism which are triumphant in our society today....

[Korabelnikova] Privatization is under way in Russian society, and the old structures and ties are being severed. Is not that same corps of directors escaping from your influence?

[Volskiy] Privatization is absolutely no hindrance to our companionship with the industrialists. Vice presidents of the RUE, for example, are N. Bekh, president of the KamAz stock company, L. Vaynberg, chairman of the board of the LMT Investment Programs, and V. Tikhonov, president of the League of Co-operators and Industrialists of Russia, and the board's 70 members include a large number of representatives of privatized enterprises. And relations with the directors are different with us—it is we who are under their influence! Under the influence of their requirements, requests, and demands. I returned not that long ago from Ufa from the congress of industrialists and entrepreneurs of Bashkortostan. The congress unanimously adopted the decision to join the RUE. And thank God. In Ufa, note, this was accomplished against the background of much political disarray between the republic and the Russian Federation.

The state and nonstate sectors have their own specific features, of course, but their troubles and problems are frequently common. And it is these that are forcing enterprises to come together around the RUE and to tackle in unison the complex tasks of reform of the Russian economy.

St Petersburg's Referendum Doubts

934F0167B St Petersburg ST PETERBURGSKIYE
VEDEMOSTI in Russian 6 Feb p 1

[Report by Ye. Dolgopyatova: "Doubts About the Referendum"]

[Text] Of the Chairman of the Supreme Soviet of Russia

The idea of a referendum belongs to our ultra-radicals, and parliament was forced to agree to this proposal of the president of Russia. It is he who should bear the main responsibility for all possible consequences of the referendum.

This statement was delivered yesterday by R. Khasbulatov, chairman of the Supreme Soviet of the Russian Federation, during a meeting with Barbara McDougall, secretary for external affairs of Canada.

The head of parliament emphasized: The danger is that a number of subjects of the Federation could refuse to participate in the April referendum, the result of which would be a "weakening of the influence of the federal authorities."

R. Khasbulatov observed: The main thing which Russia needs at this time is national harmony.

And of the City Soviet Inner Council

Those doubting the expediency of a referendum on 11 April on the fundamentals of the country's constitutional arrangement were joined yesterday by the St. Petersburg City Soviet Inner Council also.

In the deputies' view, it is essential either to postpone the referendum until a later date with the preliminary convening of a congress or to speed up the adoption of the actual wording of the ballot paper. In addition, the precise amounts have not been given, nor have the sources of the intake of the monetary resources for organization of the referendum been determined nor the funding of the district and precinct commissions instituted as yet. The deputies believe that the authorities of the Russian Federation are not paying due attention to the forthcoming referendum and that the decision to hold it adopted earlier corresponded to a different political situation, distinct from today's. This was what an appeal which the inner council adopted to the Supreme Soviet and the Central Commission of the Russian Federation yesterday said.

Zorkin on Constitutional Court Priorities

934K0364A Moscow LITERATURNAYA GAZETA
in Russian No 6, 10 Feb 93 p 10

[Questions and answers at the meeting of Constitutional Court Chairman Valeriy Zorkin with LITERATURNAYA GAZETA journalists, under the "Club 206" rubric: "...We Will Help To Keep the Branches From Getting Into a Fight"]

[Text] This time, the guest of LITERATURNAYA GAZETA's room 206 was Valeriy Dmitriyevich Zorkin, the chairman of the Constitutional Court of the Russian Federation. The editorial staff had been patiently waiting for their guest, who unexpectedly postponed the meeting by a whole hour. This delay, so unusual for the head of the judicial branch, who is known for his punctuality, prompted LITERATURNAYA GAZETA editor in chief A. Udaltsov to ask the first question: "Could you please tell us about the decision just adopted by the Constitutional Court, which apparently was reached after an unexpectedly difficult discussion?"

[Zorkin] Please forgive me for being late, but the case we started a hearing on yesterday remained unfinished, and the hearing spilled over to today. The decision has just been announced, so I can tell about it in more detail, especially considering that its public significance is obvious because it involves direct protection of citizens' constitutional rights—which, in my opinion, ought to be the Constitutional Court's business in the first place.

Only an uninformed person could think that the issue under consideration was minor, almost on an individual scale: whether compensation for damages incurred by an employee fired at the administration's fault (which means, illegally) may be limited to a certain time period, or whether he should be compensated for this forced truancy for the entire period until the legal violation is remedied?

At first our law stipulated that an employee must be compensated for damages for a maximum of 20 days; then three years; then one year. The Supreme Court upheld this practice. But the Constitutional Court found it not in compliance with the Russian Federation Constitution, a violation of the principle of legal equality of the sides to a labor contract.

[Udaltsov] Then another question. When will the country finally have a new Basic Law of Russia? Because, frankly, we are not entirely clear what Constitution we live by.

[Zorkin] I will answer just as frankly: I am not sure that the adoption of a new Constitution should be artificially speeded up. And I am not at all certain that the one in effect is all that bad. I mean, naturally, the Constitution in the wording of 21 April 1992, that is, with all the democratic amendments that were made to it. Its text incorporated the Declaration of Human and Civil Rights, based on international standards; for the first time, the principle of separation of powers has been proclaimed. Since it is the latest will of the lawmaker, it determines the interpretation of all other constitutional stipulations as well: Those among them that are not in accord with this latest will, that contradict it, must be interpreted both by the highest authorities and by law enforcement organs on the basis of this principle.

Or take the issue of delimiting the powers of the central and local organs. The federation's constituent parts—republics, krais, and oblasts—are afforded very extensive and important powers. They must be realized, first and foremost in the economic sphere, by giving the regions economic independence, as is done in normal federations in the world, including in the United States. So what is it that we are not happy with in the latest wording of the current Constitution? Only one item: We need a normal two-chamber parliament; but the congress has already arrived at this same conclusion. So why force a new Constitution in a situation where the country is disintegrating and people are impoverished? If we had nothing at all! Then—yes, we would need a law to live by. As for now.... It would be better to learn to comply

with what is already there. As it stands, we are reaching for a new one without having learned how to strictly observe what already exists. If the authorities learn to observe the Constitution, they will provide a good and instructive lesson for the citizens. Let us first get the reforms going, build a normal federation, and protect the citizens from raging crime; then we will have a situation conducive for the adoption of a new Constitution.

Yu. Shchekochikhin, member of LITERATURNAYA GAZETA editorial board Were you aware in advance of the statement that B.N. Yeltsin made at the latest congress? And how did you bring yourself to undertake the task of reconciling the two sides?

[Zorkin] Naturally, I did not know about it, and could not, since I am not among the people who write the texts and are informed with respect to all preplanned steps on the part of the president. I was aware, however, of the intentions on the part of some circles, which were trying to push him into taking this step. We did discuss this potential situation in advance in the Constitutional Court. So I expressed the position of the entire court, not my personal one, and it was a position that provided a way out of a seemingly hopeless situation.

They say that the Constitutional Court does not officially have such powers. I would not agree with this. The Constitution says that it mediates arguments between the branches. Of course, under normal circumstances this should be taking place at a session, with all the rules and procedures observed. But the situation was far from ordinary, to put it mildly. So what are we to do: look the other way and stay silent? Then we would become (no insult intended) a committee for constitutional shame. And I think that the people will not condemn us for this interference. We did not intend to earn any political laurels on this. But the Constitutional Court's prestige undoubtedly was reinforced.

Meanwhile, there are some influential democrats who, in putting together their drafts of the Constitution, "forget" about the Constitutional Court entirely or attempt to vest it with different powers. We have no intention of being a substitute for either legislative or executive power. Perhaps our destiny is to keep the branches from getting into a fight.

[Shchekochikhin] One more question. How do you see, from your position as the Constitutional Court chairman, the desire, for instance, of Chechnya or Tatarstan to secede? Would you not think that if some American state demanded independence, the president would have sent troops there?

[Zorkin] Probably. And the conflict would have been settled within 24 hours. Or 48. Authority also implies force. But not naked force. Because naked force is a bayonet. I like the aphorism I read when I was young; it is attributed to many leaders from various times: "One can do anything with a bayonet. The only thing one cannot do with it is to sit on it."

So what are we to do now that we are already hopelessly late? I do not see any way other than negotiations. The solution to the problem is simple: Powers must be divided in such a way that the regions would not want to secede. We need to introduce a balanced principle of a confederation. There is no single solution model for all regions.

Let us start with the Caucasus. First, separate the warring sides. Arrest the instigators. Free the hostages. You say the sides will not understand the fairness of the solution? Well, let us try another approach, taking into account the distinctive character of the Caucasus. Take 200 elders from this side and 200 from the other. Put them at a negotiating table. Meanwhile, send a thousand young children from both sides; mix them, place them in such a way that nobody would know in which home and with whom they are. The shooting will stop; the elders will say: Stop the shooting! I can assure you, everything will be quiet. The most important point is to search, to use all opportunities, to free the regions from a centralized diktat, from dependence even in small things. Federal taxes—yes. Federal state property—yes. And first of all—real interests of the people. Why do some leaders want to grab sovereignty for themselves? For the good of the people or so that they could fly to Paris on a presidential aircraft and receive all of the honors afforded to presidents? And something else—this is more relevant to Central Asia—also to have a red carpet, from the aircraft ladder all the way to the hotel....

Yu. Kulikov, LITERATURNAYA GAZETA deputy editor in chief Last year we had as a guest one of the recent national leaders. I asked him: Are you not afraid of a repetition of 1937? He said: I am. How would you answer this question?

[Zorkin] Fear is a natural state for a human being, unless he puts up a bravado of his fearlessness and suppresses his complexes. This sense of self-protection makes him more cautious, more balanced. I am not afraid of 1937. I am afraid that the authorities, whose duty is to protect the citizens, will not fulfill their mission, and in doing so will open the way on the right and on the left for various movements, various fronts, which will destabilize the situation even more. If the authorities are incapable either of protecting the citizens or of leaving voluntarily, the chance that societal development will move along a law-based track will be lost, and we will face the tragedy of Yugoslavia multiplied by a factor of 100. If, using the democratic terminology—including the principle of the separation of powers, guaranteeing rights, and so on—the authorities cannot ensure for the people political stability, elementary economic standards, and protection of their life and health, such authorities only discredit the sensible ideas they proclaim. This must be averted immediately, by any means possible.

A. Vaksberg, LITERATURNAYA GAZETA commentator It appears that another conflict situation will emerge soon, where the peacekeeping role of the Constitutional Court, based on the powers vested in it, may

again turn out to be decisive. I mean the referendum, the wording of questions to be put on the ballot, and developing a mechanism for subordinating power structures to the will of the people. I think our deputies are seriously convinced that absolutely all power belongs to them—to them, not to the people—and that the people is them. In short, that they are omnipotent....

[Zorkin] I would not say this about all deputies. Fortunately, many do not see it that way. But we have not had the experience of the separation of powers in the past; we still have to learn this, while the stereotype of absolute power is very strong—which, of course, is very dangerous.

Let us go further, though. Is the referendum a goal or a means? Yes, we cannot deprive the people of the right to a referendum. But can they comprehend the entire depth and all the consequences of the answers they are supposed to provide? Will they not do harm, asking the question and at the same time answering it? And will they answer it at all? That is, will they show up to answer? There is active propaganda going on in many regions against participation in the referendum, or even against holding it altogether. Just imagine: People simply do not show up. What next? Will the authorities voluntarily resign their prerogatives? No, each branch will try to interpret the boycott of the referendum in its favor. And if the referendum does indeed take place.... What next? A Constituent Assembly? This means another election.... And then again election, early elections.... Each branch counts on winning and settling the score with the other by constitutional means. The situation remains extremely unstable. Is there the smallest guarantee that the next echelons of power will come to an agreement? I am afraid that a month after the election everything will be repeating itself.

[Vaksberg] But early elections is nothing extraordinary. It has been, and is being, used in world practice as a means of resolving a political crisis.

[Zorkin] I think that we should aim for using the opportunity of a Russian Roosevelt and a Russian De Gaulle rather than Hitler's and Pinochet's "chance." There is at least some shaky consensus now. Do not rock it. Reject the referendum. Introduce a moratorium on changes to the Constitution (in the April 1992 wording). Do not touch the presidential republic, and in exchange you will be left alone, too. You will keep your jobs until the end of your term, but on condition that you will not break and tear up anything. Neither branch.... They say: We have the wrong deputies. Perhaps. I am not saying that this is the case; I say: perhaps. But where is the guarantee that those who will be elected are the people you would want? And what are you going to do if your hopes do not materialize?

You say, Arkadiy, that there is nothing to fear from early elections. By which election law are you going to hold it? The current one? Then it will be a repetition of what had happened last time. Which means, we need a new law on

elections. It needs to be developed and, which is even more difficult and more important, it needs to be adopted. How much time will it take, in the situation of our chaos and tension? Six months at the very least. Then, you need preparations for the election: platforms and political programs need to be formulated, and so on, and so on. A year or a year and a half will pass—that is as a minimum. And how much time do we have until the term of our current deputy corps expires? Two and a half years? This timing may be moved somewhat. The president will sacrifice part of his term, and the deputies—theirs. And the situation will stabilize by then if the reform finally starts working. And we will not need three stages: a referendum, a Constituent Assembly, and new elections. If we enter a stretch of early elections, the people will themselves ask for a Caesar. Even demand such. And this will be the worst of it all.

Yu. Solomonov, LITERATURNAYA GAZETA deputy editor in chief You are a jurist, the chairman of the Constitutional Court; have you ever met a person who incites interethnic strife? When we deal with some actions, this is clear. But on a verbal level (we journalists, work with words)—what does it mean?

[Zorkin] Killing people by ethnic identification (as it is in the conflict between the Ossetians and the Ingush)—this is interethnic strife. One does not need to study the Criminal Code to react to it. Where are the court cases, though? There are killings, but no cases. These killings have taken place, however, because someone was stirring up nationalist hatreds and nobody reacted to it in time. I will put it this way: If a nation has lost its immunity [as published] to ethnic reconciliation and ethnic tolerance, no procuracy is going to help.

[Solomonov] I meant what is called kindling interethnic strife. When it has not gotten to the point of action yet; when there have been only words....

[Zorkin] There could be a corpus delicti in "just words." I would even go further. If openly racist, nationalistic slogans, exhortations, and articles do not get any reaction from either the procuracy or the MVD [Ministry of Internal Affairs], this also constitutes inciting interethnic strife; it is abetting the criminals. A Russian Hitler, not stopped in time, will bring about that which has already happened in modern history.

G. Tsitrinyak, LITERATURNAYA GAZETA commentator When Gorbachev did not show up as a witness, the Constitutional Court chose to fine him, although the law envisages other sanctions as well for such an infraction: forced labor, public condemnation. Do you not think that you have created a dangerous precedent?

[Zorkin] As a politician, Gorbachev has committed something worse than a violation of the law—he made a political mistake. Actually, he did not refuse us—we rejected him. If three percent of people such as Gorbachev (such in the sense of position, public influence) choose the same road, we will never live in a law-based state! He lived in old stereotypes, saying one thing and

doing another. And he remained true to himself. There were those among the Constitutional Court who supported tougher measures, but I think the option adopted by the majority vote turned out to be more sensible.

A. Sabov, LITERATURNAYA GAZETA commentator Our current Constitution, even with April amendments, still remains a Soviet one. It contains an important contradiction: It proclaims complete presidential powers and at the same time establishes the supreme power of the legislators. That is, the clash is inherent to the Constitution itself. A Constituent Assembly could remove this.

[Zorkin] Hypothetically, yes. But in the current situation, where everything is strained and heated, I am not sure of that; I believe that we are in such a boiler right now that the time is not right for the adoption of a Constitution. Constitutions are not adopted in such circumstances. First we need to get out of the streak of catastrophes—Russia is disintegrating, the people are at the point of explosion. Right now, I propose only one thing: Let us first sit down at an analytical table and calculate what we gain from a Constituent Assembly, what we gain from a referendum, and what happens if we reject both.

As to the contradiction in the current Constitution, you are wrong. I will repeat once again: Since the principle of the separation of powers is the last will of the lawmakers, all previous stipulations in the same Constitution that contradict this principle must be interpreted on the basis of this last will.

O. Moroz, member of LITERATURNAYA GAZETA editorial board Are you not concerned that by saddling the Constitutional Court with many-months-long trials of the kind of the "CPSU case," certain forces may remove it from control over the current, very troubling political situation?

[Zorkin] I think there will be no other equally lengthy, and complex in general, trial in the Constitutional Court. We already have the experience. There will be no other problem that will combine to such an extent the entire set of issues associated with our departure from old times, from the old social system, from the old mentality.

[Moroz] In a certain article published in ROSSIYSKAYA GAZETA, Khasbulatov questioned the legality of the trilateral agreement on the resolution of the political situation. Do you intend to defend this agreement, by what means, and how actively?

[Zorkin] We acted strictly on constitutional grounds. The law always leaves a certain margin that permits it to be used sensibly, taking realities into account.

Let us go back to your first question. At the trial of what you called the "CPSU case," there were some people pushing us into an extreme option: to pronounce the party totalitarian and to ban it completely. This would have meant that the party would go underground, but

extremism would not disappear with it. Gorbachev also wanted to be a martyr: The more he was pressured, the more commotion there was around him. Also, I will tell you this: If the Communist Party does not have a right to exist, this is no longer a democratic society, because within the boundaries of a constitutional system, any ideology and any movement have a right to exist within the framework of the constitution.

Law is always something in the middle; it is a compromise of wills; it is a legal base of national consensus. It is a contract—to put it more simply, it is something that is reasonably acceptable to both you and me. I will answer your question from this angle. A congress' decree, adopted in an emergency situation, on the basis of agreement between the branches, is binding for everyone. And corrections to this agreement also should be accomplished through civilized methods. For instance, a rejection of a referendum must be supported by a clarification of the agreement between the branches of power on the stabilization of the constitutional system.

VESTI television program What cases involving protection of constitutional rights of citizens are now in the Constitutional Court's docket?

[Zorkin] Mainly cases involving the economic rights of citizens. For instance (in my opinion, this is a very important case), regarding the devaluation of savings banks deposits. There are many other issues, but we cannot get started on all of them. You have to remember that the Constitutional Court does not have the right to initiate cases. A petition is required. I do not understand what is keeping, for instance, the bar collegium, or the Businessmen's Union, or a trade union from petitioning us to determine the constitutionality of some or other law that infringes, in their opinion, the rights of citizens.

[VESTI] What changes did you personally go through in your attitude toward Gorbachev?

[Zorkin] It started with euphoria in 1985. Then I participated in the development of an important document and had contact with A.I. Lukyanov. He impressed me as a very intelligent man, so Gorbachev's inner circle also provided grounds for hope. In 1990, together with other authors, I was already writing: Unless Gorbachev resigns, there will be a catastrophe. We analyzed only the legal aspect, the syndrome of increasing absolute power (additional powers, and so on). Blood was being spilled in Sumgait, while the authorities limited themselves to talk and admonitions. Bakatin was developing for Gorbachev a mechanism for the resolution of national conflicts; major contributors were brought in, but the proposal was nipped in the bud. Why?

In the summer of 1991, a few days before the August events, I was sightseeing and saw the Crimea dacha of the USSR president. It is not a dacha; it is not a palace; it is a humongous structure that is not of this earth. It told me a lot about its owner. At the same time, I do not forget all the positive things he has done. But Gorbachev

did not observe the law himself, and he did not force others to observe it; he has missed not only his chance, but also the chance for Russia, the chance for the USSR. He gave a great lesson to citizens of Russia: Those at the helm must be wise, knowledgeable, and fair people, but they also should possess a firm will.

I. Rishina, LITERATURNAYA GAZETA desk chief I have two questions. How constitutional are the actions of Zhirinovskiy, who sends his shock troopers to fight in Iraq? And why, for instance, is DEN newspaper is stepping over constitutional boundaries; why are the laws on the protection of the honor and dignity of the president and the government not observed in this case?

[Zorkin] The issue boils down to the general problem of the authorities' ability to act. There are laws, but who observes them, and how? Any party manifests itself not only in documents (for instance, the rules), but in its actions. It is the authorities' responsibility not to allow a party to function if its actions violate the boundaries set by the Constitution. By speculating on popular feelings, such parties lead to where Hitler led Germany.

Regarding terrorists. We have a Constitution, criminal law, and norms of international law, after all; we have to abide by them. The same may be said about the press. It is the responsibility of the organs of power vested with such responsibilities to force it to abide by the law. If the latter are inactive, it indicates a shortage of power, not laws.

[Udaltsov] It was recently announced that the date for the trial of the GKChP [State Committee on the State of Emergency] members has been set; it seems to me that there is some connection between this case and the one that was under consideration for many months in the Constitutional Court. What do you, as a jurist, expect of the trial that will begin in two and a half months in the Russian Supreme Court?

[Zorkin] I do not know which connection you mean, but in a certain sense one exists, of course. We have declared the ruling bodies of the former CPSU unconstitutional, and the Supreme Court will have to take this into account. Neither was the GKChP itself a constitutional organ, and this will also have to be taken into account. One of the attorneys advanced a thesis that although the GKChP was not a constitutional organ, it was an emergency organ for national salvation. Well, why could they not engage in national salvation through constitutional means?! Why did they hide the president? If the president is ill, the vice president assumes the powers defined for him; you do not need a GKChP for that. That which is not in compliance with the Constitution cannot be found constitutional. Answering the question from this angle is within the competence of the Constitutional Court. We are not permitted, however, to investigate the facts that fall within the competence of other courts. Whether there was in the actions of the accused whatever falls under article 64 of the Criminal Code is not our jurisdiction. This is for the Supreme Court to consider.

[Udaltsov] We are very grateful for this interesting conversation and part with you hoping that both you and other members of the Constitutional Court will be our authors.

[Zorkin] I, in turn, would like to thank you for the opportunity to meet with the LITERATURNAYA GAZETA editorial board and its leading journalists. If the judiciary is the third estate, and the press is the fourth; they must complement one another and use their power judiciously. The press still has great influence in Russia and must value this, using it for the good of the society. A democratic society is unthinkable without freedom of the press. From this point of view, whatever you write about the Constitutional Court, we will show restraint and tolerance. Even if you deride us, I will come to see you again. Good bye.

Nationalities Council Chairman Interviewed

934E0196A Moscow TRUD in Russian
27 Feb 93 Saturday Edition pp 1, 5

[Interview with R. Abdulatipov, chairman of the Soviet of Nationalities of the Supreme Soviet of Russia, by Nikolay Dorofeyev; place and date not given: "The Times of Trouble Will Pass"]

[Text] Among the multitude of concerns with which Russian society is living today, ethnic relations occupy a special position. They are very ambiguous, and everywhere extremely painful, explosive, and fraught with bloody conflicts. And for Russia, as it searches for the path of social accord, this problem is one of the most crucial. We decided to discuss this with the chairman of the Soviet of Nationalities of the Supreme Soviet of Russia, Ramazan Abdulatipov.

[Dorofeyev] Since the collapse of the Soviet Union one hears from all sides gloomy predictions that the fate of the USSR will now be shared by Russia as well. Do you not think, Ramazan Gadzhimuradovich, that such a danger really exists?

[Abdulatipov] The ethnic factor will never be the reason for the collapse of the Russian Federation. An excuse, a slogan, a disguise for the form of withdrawal from the Russian Federation—yes. But the main reason—never.

The most terrible thing is that the concept of the collapse of the Russian state is being foisted onto society, and sometimes it is even portrayed as a necessity. And this is being done primarily by politicians. They all have different reasons, of course. Some do not want the collapse of Russia actually to occur and want to do something to warn the people, etc. Others are people who, if they are not openly working for the collapse, at least do not see it as a tragedy. Incidentally, there are probably also those who would like the Federation to cease to exist or at least to become "feeble." And there is nothing surprising about this. My words might seem too conservative to some people, but Russia is not living in a vacuum. There are a number of strong states that control certain regions

where historically our country's vital interests are "located." They, of course, do not want Russia to become a strong state.

But the most interesting thing here is that it is difficult even to determine who our true friends are and who are opponents of a strong Russia, for we have not even created a model of this strong power. When we say that Russia must be great, we proceed primarily from the historical past. But what it should be like today—nobody can say. Add to this the fear of the state machine which inheres in our people. Over such a long period of time they have learned to associate the state with violence...

Here is a certain set of views with which people are content today when interpreting the problem of Russian statehood. And the ethnic factor here, in my view, plays a secondary role and, I repeat, will never be the reason for the collapse of Russia. If only because there are many other things contributing to the deterioration of our society and the rupture of many social ties. For example, such a political factor as instability of power. And the thing here is that the people who represent the power, including myself, were too kind when they should have been destroying the previous state. And it turns out that we are practically unable to build a new one; we get in each other's way.

[Dorofeyev] It would be difficult not to agree with your last statement. But nonetheless there are always discussions about the model of Russia's future state in high political spheres...

[Abdulatipov] There are. And forms of statehood are even being suggested. But the problem is that the people who suggest them act as though they had arrived in the desert on a flying saucer and are building a state from scratch. In the Constitutional Commission they think about how many regions to organize on the territory of the Russian Federation. Speaking in St. Petersburg recently, Gavriil Popov suggested dividing the Russian Federation into 25 federal territories. Galina Starovoytova suggested 51. Some people think there should be about 80 of them. And all that might be good if the situation were different in the oblasts, if ethnic formations did not already exist, if in general the concrete situation were taken into account when forming the policy itself.

Look at what is now happening with power in the Russian state. Officially we have declared the principle of separation of powers into the executive, legislative, and judicial. And immediately our society, which has lived for centuries according to edicts from the tsar and decrees of the CPSU Central Committee and the Council of Ministers, has ended up as though dismembered... And this at a time when Russia needs the greatest concentration of power. And it turns out that this is not just because Khasbulatov and Yeltsin, as they say, do not get along; the same thing is happening at the level of the republics and oblasts. In a small village there used to be

one person in charge and now there must be two: one under the representative branch and the other—the executive.

Perhaps the new model of the state structure in and of itself is not bad. But Russian society is not ready for it. It will not work right away. It must be introduced cautiously, gradually, adapting Russia to it, simultaneously preserving certain administrative levers for management of the state.

For if the Russian Federation has not gone over the edge yet, it is only because of the vertical system of power in the economy and management. This is a peculiarity of Russia, which has never stayed afloat because of the horizontal. A strong Russian state, a strong society, and a strong people existed only because this people was largely predisposed to the vertical order.

But in addition to fragmenting the state we have eliminated within Russian society certain horizontal attractive forces that regulated processes of interethnic communication and a certain self-organization of ethnic communities. It is not without reason today that, along with the chairman of the State Committee for Nationalities Policy, Sergey Shakhrai, we are insisting that traditions of self-regulation of relations among peoples living closely together be restored in the Caucasus. Incidentally, the same processes inhered in ethnic groups living in other regions as well. The same Russian community regulated many problems within itself. Or do you remember why the Cossack society was so strong? Because there was self-regulation among them regarding many issues, including punishment. And the state intervened when necessary. There is nothing like this today, even the Communist Party and trade union meetings—even they have been eliminated.

And so it turns out that if there is nothing political, economic, or moral cementing society together, it is certainly not the ethnic groups that are to blame for the crumbling of Russian statehood. Of course, the ethnic problem exists, but it accounts for five to 10 percent of the overall range of problems. And these problems must be solved, which, in my opinion, will be simply impossible without a normal economy.

I do not think that our society itself is working for the unity of the Russian Federation. Moreover, today legality and law and order are disadvantageous to many people and groups entering the political arena. It is as though we are driving in a car along a very bumpy road. And in a situation where everything is bumpy, much falls overboard. Intelligent people have left their positions long ago, picking up what has fallen. They did their work and left.

Therefore I am convinced that the reason for the anticipated collapse of the Russian Federation is not at all the one they try to foist off on us every day. Here the ethnic factor is merely a way of getting people riled up.

[Dorofeyev] What, then, do you think about all the processes going on in all the former autonomous regions?

[Abdulatipov] Russians must be clearly aware that there is a bitter struggle for power going on in our country today. The power space formerly occupied by the CPSU, KGB, and other structures is now vacant. A new power is being formed, and in a situation that is most favorable for this. The immense amount of state property created by the labor of older generations is becoming the property of individual people. And the person who is in power today, especially in the "localities," lower down, is not standing apart from this process.

Naturally, in this situation the struggle of political—and in multinational republics, ethnic—elite is aggravated as never before. For the person in power today determines the future of property. And as a result, a person who was nobody special yesterday and has done nothing for Russia today either except organize some bank—this person will become a billionaire in a year. Under these conditions jockeying for position increases, when everyone wants to buy his own person of his own nationality so as to take control of the situation when it comes time for allocations. And, believe me, it has all been assigned already. In the Northern Caucasus, for example, they have even allotted the bus stops—which ones will be assigned to whom. Do you not understand why? They want to place their booths there and sell magazines.

In a word, the state is being sold out cheap. In order to include everything in the most convenient and safe form for the "buyers," the idea of national self-determination comes to the fore. Since it would not be difficult to do this.

[Dorofeyev] But we have all been taught that the people are wise. They will figure out for themselves who their enemies are and who are their real friends. Do the people participating in rallies involving many thousands organized by various people's fronts understand that they might be being used as a cover? Are these people aware that they are pawns of the wheeler-dealers and politickers?

[Abdulatipov] Hardly. The ethnic idea is instilled in each person genetically, and it comes to the surface right after the idea of love. This is why it has such a strong influence on the mass consciousness and why it is so easy to revive and, as history shows, direct it into the right channel. Here in Russia, because we are at the level of primitive national self-awareness, self-assertion of the people proceeds not as a result of their assertion of their national potential but as a result of settling of scores and denigration of other ethnic groups. And since it is in a primitive condition, the ethnic consciousness is not directed toward creativity. Nationalism that is aggressive, as in Pamir, is instilled mainly into the body of the people and sucks their blood.

I wrote a book on this subject; it is called "A Conspiracy Against the Ethnic Group." Its basic idea is that to

manifest extremist, aggressive nationalism is to arrange a conspiracy against the people themselves. But, unfortunately, it is extremely difficult to prove this today, when nobody is promoting the idea of friendship. For some reason this is considered archaic, conservative, and backward. Everyone is promoting ethnic conflicts. Thus we are working on the creation of a pattern of conflict in society.

To be honest, we have long been dogged by the desire, following eminent workers writing books like "What To Do," to write our own with the title "What Not To do"...

[Dorofeyev] And how do you, Ramazan Gadzhimuradovich, assess the role of the Federation Treaty? Does this document work to pacify society and reduce conflict, including in interethnic relations?

[Abdulatipov] When working on the text of the Federation Treaty we literally struggled at least to bring Russia together and to establish at least some accord. We fought so hard. But today we have preserved Russia.

But this document was approved late. We could have signed it much sooner, as early as June 1991. Representatives of all 38 regions unanimously voted in favor of signing the treaty, including the leaders of Tatarstan, M. Shaymiyev, and Checheno-Ingushetia—Zavgayev. Everyone was "for"—unanimously; only Boris Nikolayevich Yeltsin could not agree. And why? Because every day he had buzzing in his ears: "No way, that will break Russia apart. Only the Constitution must hold everything together..." And yet I personally told him many times: The Federation Treaty and the Constitution are moving toward one another, like two high-speed trains. And you must have the courage to separate them and determine the proper place for each. Up until the last day we were afraid that this would mean the collapse of Russia. Today we are frightened by the fact that the Federation Treaty is not being fulfilled. And actually they will not allow it to be fulfilled normally.

Incidentally, even those republics that signed the Federation Treaty and were given the authority are fulfilling it by only five percent. Through their own fault or will. It is easier to sit and distribute the credit, take your privatization shares, and let that be it. Nobody wants to take responsibility. Except Bashkiria and Yakutia. And the rest? They are copying the Moscow economic reforms.

[Dorofeyev] But two republics—Chechnya and Tatarstan—did not sign the Federation Treaty and this gives us reason (and also an example) to assert today that Russia might not just become shaky but might collapse.

[Abdulatipov] Well, Chechnya is a special situation and it does not fit into any system: either legal or political. Nonetheless, many ideas which Dudayev advanced—about independence, the worth of the peoples, etc.—are in tune with the times. But that same Dudayev did not note that 60 percent of these ideas are realized in the Federation Treaty. Incidentally, nobody noticed that with the signing of the Federation Treaty we are living in

a new state, and there is the possibility of voluntarily delegating authority, which is one of the forms of assertion of one's sovereignty.

But in order to take advantage of this it is necessary to have high standards of democracy. For as soon as you give something away, it seems that you have been robbed. If there are no standards, there is no confidence. True, we have not even provided grounds for confidence yet.

As for Tatarstan, I can say that during the past two years we have had repeated chances to normalize relations with this republic and sign a treaty, including a Federation Treaty. For those who do not know, I will say that Mintimer Shaymiyev was a member of the work group for preparing its text. And there were also those who voted for the treaty at that time, in June 1991...

Now about the situation that has developed with these republics. It is written in Point 8 of the Federation Treaty: Those who have not signed it will enter into and regulate their relations with Russia through the Constitution. And it was not without reason that this was written. No matter how much I may have been criticized by representatives of the republic and what ideas they may have promoted, I will state once again in their own interests: There will be no withdrawal from the Russian Federation. That is the first thing. And the second thing: It would be disadvantageous to withdraw from the Russian Federation. And the third thing: Being in Russia does not reduce our opportunities but increases them tenfold. It does not demean our worth but enhances it. We just have to be able to correctly take advantage of the immense possibilities Russia offers. And I am convinced that those who want to leave will want to come back as soon as things get better here. Just look at what is being done around Russia even now, when it is in an extremely difficult position. Georgia, and Azerbaijan, and Moldova, and Lithuania, and Latvia are asking Russia to support them. In the Crimea, the Dniester region, Abkhazia, and South Ossetia they are already showing tendencies to enter Russia. And, even in such a difficult position, Russia is rendering help to everyone. And what will happen when Russia actually gets on its feet and recaptures the title of a world power? The times of trouble will pass. It is important to make sure that we will not be ashamed to look one another in the eye when we recall what we did during these times.

MVD Official Explains Edict on Local Militia

934F0168A Moscow ROSSIYSKAYA GAZETA
in Russian 25 Feb 93 p 6

[Interview with Aleksandr Kulikov, Lieutenant General of Militia, by Aleksandr Rostovtsev; place and date not given: "Everyone Knows This Militia"]

[Text] The Edict issued by the president of the Russian Federation "On the Public-Security Militia (Local Militia) in the Russian Federation" regulates the activities of the subdivisions of the internal-affairs organs,

whose work is on view for everyone to see. Their staffers maintain public order on the streets and railroad stations, on trains and highways. We asked Lieutenant General of Militia Aleksandr Kulikov, Russia's deputy minister of internal affairs, to comment on this Edict.

[Rostovtsev] Aleksandr Nikolayevich, doesn't this document duplicate the Law "On the Militia"? What does it introduce that is fundamentally new in maintaining public order and fighting crime?

[Kulikov] While forming a unified militia, the Law at the same time divides it into a crime-fighting branch, i.e., one engaged in criminal investigations, combatting economic crimes, etc., and a public-security branch. The Edict specifically provides for the latter's activity and everything connected with it.

When you travel out into the various regions of Russia, you see how the authorities there regard the local militia. Some of them have created it, some not. In certain places a construction militia has been formed, as well as a sanitary, municipal... In short, each has done what they could. The president's Edict has dotted the "i's" in the procedure for creating and organizing the work of the subdivisions of the public-security militia.

A unified system for administering this militia has been created. It is extremely important that the president also specified in his Edict the minimal number of staffers in such subdivisions, calculated on the basis of the number of inhabitants involved. But the local authorities can add militia-men over and above the established norms, proceeding on the basis of need and the possibilities of their own budgets.

There is another essential factor. It's a well-known fact that many republics and oblasts within Russia are subsidized from the federal treasury. The Edict prohibits those funds which are allocated specifically for the needs of the public-security militia being utilized for other purposes.

[Rostovtsev] Which subdivisions are included in this militia?

[Kulikov] The State Motor-Vehicle Inspectorate, the special-purposes branches of the militia, the Patrol-and-Guardpost Service, the Transport Militia, the sectional inspectors, the Inspectorate for Juvenile Affairs, the Extra-Departmental Protection Service, and the escort services. Furthermore, it includes the duty units at all levels, those units concerned with isolating temporary detainees, and the Investigation Service. It may be seen from this list what a large volume of work has been placed on the shoulders of the public-security militia. Let me cite merely one figure: Last year the staffers of these subdivisions examined and considered 31 million citizens' complaints and statements.

[Rostovtsev] In certain Russian cities—including Moscow—we often see militia motor vehicles bearing the

inscription "Municipal." Could it be that, in accordance with the Edict, there will no longer be any municipal militia?

[Kulikov] I have already said that various forms of local militia have been devised. And even in Moscow, or—to be more specific—in certain of its districts, municipal militia units were created. What did this engender? In essence, "white" and "black" militia-men: Staffers of the municipal subdivisions received higher pay than the "ordinary" militia-men.

Staffers have been attracted to the "full-pocket" municipal militia by promises of creating special working conditions and social privileges. But who do these militia belong to? The municipal district in question? The head of the local administration? If the entire militia, for example, in Moscow were provided with the wages and housing which they deserve, there would be a notable yield in efficiency and output for all citizens.

When attention is paid to the militia, when it is correctly organized and guided, when strict and specific monitoring controls are exercised on it, but—on the other hand—aid is rendered to it, including that by all the services, the result of the work is visibly evident. An example of this is Operation "Signal," which is now being carried out in the Moscow and Yekaterinburg regions, as well as at Russia's transportation junctions and terminals. Due to this operation during the period 1-23 February alone, 5,689 criminals were arrested, including 3,148 from "hot tracks," 124 homicides were brought to light, as well as 774 thefts and robberies with assault, 425 hijackings and thefts of motor vehicles, and 275 drug-related crimes. Approximately 400 criminal gangs were discovered and rendered harmless, 2,153 units of various weapons were confiscated, along with approximately 75 million rubles, more than 117,000 U.S. dollars, and other currency. More than 352,000 persons were charged with violating administrative laws.

And so I am not an advocate of creating dozens of types of militia. And—in my considered opinion—the president's Edict is timely in this regard inasmuch as it is directed at consolidating and uniting those militia forces which exist now in our country.

Security Ministry Official on Official Corruption, Organized Crime

934F0138A Moscow ROSSIYA in Russian
27 Jan-2 Feb 93 p 3

[Interview with Anatoliy Uryadov, deputy chief of the main directorate for combating organized crime of the MVD of the Russian Federation, by Anastasiya Zhukovskaya; place and date not given: "Blood Bath for 3,000 Gangs; Following the Mafia, the Militia Divides Russia Into Spheres of Influence"]

[Text] At the end of last year, the president of the Russian Federation issued the edict "On Measures To Protect the

Rights of Citizens, Maintain Law and Order, and Intensify the Fight Against Crime." I asked Anatoliy Uryadov, the deputy chief of the main directorate for combating crime of the MVD [Ministry of Internal Affairs] of the Russian Federation, about what changes are supposed to take place in the work of the militia in this connection.

[Zhukovskaya] Anatoliy Iosifovich, how many regional subdivisions talked about in the president's edict exist in your directorate?

[Uryadov] There is a total of 11, and they are set up according to economic areas: Northwest, Central-Black Sea, Volgo-Vyatsk, Far East.... Taking into account the fact that all roads cross in Moscow, a special directorate was established in Moscow.

It is rather difficult to characterize each region according to types of crimes. There are only small differences. In the Far Eastern region, where there are many sailors who go on voyages abroad, the most frequent type of crime is extortion. Large operations occur here in ferrying precious metals abroad. In Siberia, where colonies for convicts and their transit prisons are located, "sworn thieves" have cultivated their activity untrammelled. In Uralsk, where there are a whole number of arms plants, criminals have successfully filled their arsenals, and all kinds of machinations occur here in the aluminum combine and the automobile plants. In Povolzhskiy, the cities of Saratov and Volgograd arouse particular anxiety—they are territorially closer to the Caucasus, and they hold first place in summaries about murders. In the Northwest, the smuggling of foreign commodities and metals flourishes.

According to our estimates, 2,500 criminal groups operated on the territory of Russia in the first half of 1992. Each fifth one has interregional and even international ties. Today, their number has exceeded 3,000.

The statistics on exposing criminal groups speak for themselves: In 1989, 485 groups committed 2,924 crimes. In 1990, the figures increased respectively: 785 and 3,515, in 1991—952 and 5,119.

While two years ago the matter of thefts in the sum of 1 million rubles [R] was a big deal, now, a theft of even R3-R5 million has become the standard of the rayon department of Internal Affairs.

How do you assess the theft of monetary funds, for example, in the sum of R6.1567 billion with an attempt at their subsequent conversion, if not as an attempt to undermine the economic foundations of our state? And attempts like this are made almost every day. Deals like this are now calculated to amount to a sum of more than R100 billion. According to various estimates, the damage inflicted on the CIS states on fictitious advice notes amounts to R300-R400 billion.

Great alarm is caused by the increase in especially dangerous crimes in the sphere of the economy, in the financial-credit system, and in the area of foreign trade,

where our criminal world, invading the territory of other countries, is carrying out large-scale international operations to launder money and to convert it into real property; investments are being made in various branches of the national economy here in our country.

[Zhukovskaya] Do principal differences exist between the criminal world here and in the countries of the West?

[Uryadov] No. Both there and here, it gravitates mainly to spheres of the economy. However, at the present time, our criminals are expanding their activity more and more to countries abroad. And this is also associated with the fact that it has become easier to go abroad. According to our estimates, the "export" of criminals from the CIS exceeds the "import." The reason is understandable: "Wooden rubles" are trifling in comparison with the sums acquired from hard currency machinations.

It is a great pity that the term "Russian gangs" is acquiring an undesirable political nuance and is forming public opinion—all criminal groups from the post-Soviet republics are assumed to be "Russian gangs."

We are working actively together with colleagues from Austria, the Czech Republic, Slovakia, Germany, Italy, Sweden, and England. We are planning arrest operations in which the police of these countries will be activated. Specific agreements have been reached with Polish colleagues on the exchange of bank data concerning the heads of criminal associations. We are holding working meetings on this question in Poland and Moscow. Similar proposals from the NTsB Interpol [National Central Bureau of the International Criminal Police Organization] have been sent to other states where there is interest in collaboration.

[Zhukovskaya] What kinds of crimes are we "exporting"?

[Uryadov] Extortion in "flea" markets, where our tourists trade. "Fellow countrymen" are making a racket out of them there. Moreover, they do this with a knowledge of business, with force, with torture, and with the use of weapons. And what is especially saddening: Criminal elements have formed a connection with state services and with employees of law enforcement organs in those places.

One more type of crime exists that is being committed by emigrants from the former USSR: the theft and organized seizure of foreign-make motor vehicles with subsequent sale in CIS countries. There are frequent attempts to falsify payment documents, robberies, and murders.

[Zhukovskaya] Of course, the criminal world cannot be viewed as a vice of our society whose origins are unknown. How corrupt are officials today who are conniving in criminal acts?

[Uryadov] During nine months of 1992, 1,193 cases have been instituted with respect to corrupt persons,

including 732 against employees of organs of state administration, 67 cases in the sphere of the credit-financial and banking system, 29 in control organs, 30 against customs committee workers, 203 against law enforcement organs, and 61 against representatives of the deputy corps at all levels.

If you take the most difficult type of corruption to expose—bribery—then of 397 instituted cases, 23 are in the credit-banking system, 10 in customs, 101 in law enforcement, 24 in organs of authority and management, and 16 in the deputy corps.

[Zhukovskaya] Anatoliy Iosifovich, can you mention the sum of the largest bribe under today's inflation?

[Uryadov] There are different examples. There was the exposure of the management of the Mys Churkin Railroad Station, where the chief and his deputy were engaged in extorting bribes for the allocation of railroad cars to commercial structures. At present, the case is in the investigation stage. But in the list of what was confiscated there were: R40,000; four Japanese-made video systems; \$200; 634 yen; gold articles worth R170,000; two GAZ-2410 motor vehicles; and a Toyota. In Novosibirsk Oblast, the chief engineer of the commercial department of the Novosibirsk association Vtortsvetmet was proven guilty of receiving bribes in the sum of R1.2 million. Using his service position, he organized the release of 23 tonnes of aluminum to commercial structures at prices lower than that established in the association.

[Zhukovskaya] Recently, there have been more frequent cases of the illegal export from Russia of nonferrous metals. Arms dealers are clearing a path to us....

[Uryadov] Attempts at the mass export abroad of nonferrous metals have really become a frequent phenomenon. The other day in Smolensk Oblast, 10 motor vehicles with 84 tonnes of copper were detained that left the gates of an enterprise in Sverdlovsk Oblast and allegedly were heading for Kaliningrad Oblast. But everyone has long known this trick: The way to Kaliningrad lies through the Baltic countries, where the metal settles. The export of nonferrous metals is conducted in this way.

But the metal is not only transported in a westerly direction. For example, the shipment of containers by citizens of Vietnam who were invited to us for work stops in Khabarovsk. Thirty tonnes of nonferrous metals, 20 tonnes of aluminum powder, and also fire covers for large-cargo motor vehicles and bearings were discovered in the containers.

As for weapons, an analysis of investigations of criminal cases once again confirmed the presence of a large number of weapons among the merchants. In 1989, 11 units were confiscated, but in the past, the number reached 3,000.

Not long ago in Kabardino-Balkaria, 142 kilograms of explosives were confiscated. In Tver Oblast, a commander of an air regiment who had just gone on pension and an officer of the active army, and also a former official of the Ministry of Security, were arrested—all of them were trying to complete the sale of ammunition.

Accordingly, armed showdowns between criminal groups became more frequent. Fourteen were registered in Moscow alone last year.

[Zhukovskaya] Anatoliy Iosifovich, of late the portrait of a criminal has been drawn with the characteristic features of a person from the Caucasus. What groups are there more of in Moscow?

[Uryadov] In Moscow and the oblast, unquestionably, there are more criminal groups comprised of local residents. But this is a region in which it is easy to get lost. This is why it is attractive to "evident" criminal groups. Mafia structures consisting of people from Dagestan are distinguished by their particular unity, and, perhaps, this group has gained the leadership in the criminal world. The Chechen militants who are in Moscow are being drawn more and more to Eastern and Central Europe. The Azerbaijani, Georgian, and Armenian criminal groups are also active here. Recently, a visit was made by a Moscow delegation to Azerbaijan, where an agreement was reached on cooperation on questions of fighting against the mafia.

Vladivostok Becomes Center of Organized Crime Activity

934F0138B Moscow ROSSIYA in Russian
27 Jan-2 Feb 93 p 3

[Article by Vladimir Semenov: "The Center of the Golden Triangle"]

[Text] ...The patient with the bullet wounds was being brought to the hospital secretly, under guard protection procedures. But as soon as the fellows in uniform took the victim to the surgical section, the entrance to the hospital was surrounded by motor vehicles with flashing lights, and sullen lads moved ahead to finish what had been started. Their way was blocked by guards, and two sentries were posted at the ward immediately.... In spite of this, the siege of the hospital was not raised for several days, but when it became necessary to transfer the patient after the operation to the prison hospital, they took him out of the building as a deceased person, covering him with a sheet.... All of this occurred not in the movies, but in a territorial hospital in Vladivostok several months ago. And the event was a common one, and you think, one more top mafia figure has been shot! Of late, they are being "knocked off" by the dozens.... It all began to happen as far back as spring, when the militia found a burning car with three murdered "horsemen" shot in the back of the head—a sworn thief known in Russia by the nickname of Bandit and his bodyguards, who had come to Vladivostok for a partitioning of spheres of influence. In retaliation, on Yuzhno-Uralskaya Street, three hired assassins who had

concealed themselves at night in an arbor opened fire on Koval, the ringleader of a rival gang who was coming out of a doorway, wounding him and his housemate, who was hurrying to work. The last shot rang out exactly at the time....of fight matches—it had been decided to intimidate S. Belyaya, a master of sports, whom the militia had long since suspected of ties with the criminal element. Another ringleader was not as lucky—the body of a certain Shalam was found dismembered all the way in Moscow. Owing to the reputation of the *dramatis personae*, their showdowns caused a big sensation in Vladivostok. It was clear to everyone: These shots are only echoes of an invisible, bitter war that has flared up in the city.

And All of These Are 'Trifles'

....It is no secret to anyone now: Vladivostok is a tasty morsel for criminals of every stripe. And how: It is the only gate to Russia for the mass import of the cheapest motor vehicles in the world from the scrap heaps of Japan; this is the only transshipment base for mountains of rags from China, Vietnam, and Thailand; there are many foreigners here, and this means there is free range for hard currency prostitution and the gambling business, and, finally, there are convenient opportunities to strengthen friendship with criminals of other continents.

Vladivostok has always attracted former *zeks* [convicts] from the corrective labor colonies that were located nearby, and it has been renowned for its armed robbery, mugging, and theft. The omnipresent "Chechens," it is true, strongly pressed the local "third shift," but a strong rebuff was already being given to all of the other "touring thieves."

And then, suddenly, a serious competitor appeared among the "*zeks*"—the so-called "sportsmen" from among the boxers, karate masters, and masters of various types of one-on-one combat. These fellows started with a primitive car racket. But gradually the super-income business compelled them to organize and to perfect the system. Now, foreign-makes and their owners are tracked even before a purchase; afterwards, the cars are taken right on the deck of the ship, at the mooring, on the way to the garage, and at service stations.

Just recently, a container transport that had just arrived in Vladivostok was attacked at the mooring by 300 sports fellows who, in a hand-to-hand fight, removed several foreign cars and about a hundred spare wheels. But racketeers carried out a real pirate raid on a vessel that recently entered the port of Poser. They assembled a small-scale fleet on the shore, they arrived in it at the roadstead, they locked up the members of the crew, together with their captain in cabins, and "beat" the automobile documents out of them. There are hundreds of cases like this—not one seaman is confident today that he will finish delivering a car, if he will not be met on the shore by an armed guard. But, you see, there is also an army of "specialists" who hijack cars from their parking areas in stages. There are operators who, on the run, can take an unattended car apart for spare parts in

several minutes. Extortion flourishes, when an old wreck of a car has a collision with a foreign-made car on the road, and a threatening demand is made for a large sum "for repairs...."

When you consider that 200 foreign-made cars are imported daily into Vladivostok alone, and that racketeers can make from 200,000 to 1 million just from one car, then it becomes clear what big money the "sportsmen" soon began to control. Well, and everything after went according to a well-known scheme. The enriched *nouveau riche* wanted a nice legal life. And they undertook to launder their capital; so many little shops and firms began to emerge like mushrooms after a rain that were associated with one invisible mushroom spawn.

But the "*zeks*" did not like any of this. First, it became insulting that such juicy pieces were flying past their mouths (but the rich "sportsmen," in addition to the car racket, had also become competitors in the gambling business, and in the maintenance of profitable parking lots, and so forth). Second, the "*zeks*" were exasperated by the overfastidiousness of the competitors, who did not want to quarrel seriously with the criminal code and subordinate themselves to the strict thieves' law. The war between the groups started with the usual scraps that flared up, as a rule, in restaurants or in thieves' dens. But after the murder of Bandit, who arrived in Vladivostok to establish a tough thieves' order, to introduce an "alliance" ["*obshchak*"] and show the "sportsmen" their place, the battle completely spilled out into the streets.

Stores and kiosks began to be burned in Vladivostok; out on the roads, bursts of submachine gun fire resounded from foreign-made cars; grenades exploded in restaurants and bars, and the traumatic surgery sections of hospitals overflowed with militants and their accidental street victims with their stabbing, cutting, and shooting wounds.

"We were able to dampen somewhat the war of the 'sportsmen' against the street criminals [*ugolovka*]," says A. Lutsenko, the chief of the criminal militia of Vladivostok. "There were many arrests, and several criminal groups were eliminated. But a war now flared up inside the groups. The clans on both sides became so powerful that they began to split up; members of the 'families' began to acquire their own 'houses' that there and then began to fight for a division of spheres of influence; moreover, with particular ferocity. But in our country, it takes a case from the investigation to the trial not two days, as in other countries, but a minimum of two and a half months, during which time friends of the accused can do whatever they want with witnesses. So, murderers and bandits go free."

On the day of our interview, A. Lutsenko himself returned from a night investigation of two simultaneous "showdowns" with fatal results and shooting right on the streets of the city. All told for 10 months of 1992, the number of murders in Vladivostok increased by 85

percent in comparison with 1991, which had been considered a record. In this respect, Vladivostok came out in one of the first places in Russia.

Criminals of All Countries, Unite!

Not long ago, a cook from the maritime fishing vessel Titovsk, Sergey B. was arrested in the Japanese port of Tomakomai. The cook tried to get a foreign-made car for...a pistol with ammunition. Approximately at the same time, in the port of Otaru, a revolver and 27 cartridges were confiscated by customs from seamen Pesom and Mazanov from the seiner Galitsyno. In the words of the owners, they also wanted to exchange them. All told for the year, cases of transport of weapons and narcotics abroad were uncovered on six maritime vessels. And how many were not exposed? But even these cases, pathetic in their naivete, were only the first signs of the burgeoning business. According to the predictions of specialists, Vladivostok at least could fully become an international center of the arms and narcotics business.

Weapons are now beginning to arrive from Thailand, where ammunition left by the Americans is traded with just as much ease as sports shirts. At the same time, the negligence of the naval personnel makes it possible for the local mafia to supply not only fellow citizens with submachine guns and grenades made in the country, but also residents of adjacent countries.

As for narcotics, here fate itself ordered Vladivostok to become the center of the "golden triangle"—the crossroads on the way from Southeast Asia to Europe, America, and Australia. After all, Russian customs posts are still not ready to encounter the serious narcotics business: They do not have the necessary apparatus, nor the specialists, nor the conditions for work.

Moreover, Primorye itself has huge areas of thickets of one of the strongest narcotics in the world—Manchurian hemp. Thus, the sights of the criminal world are aimed at the east of Russia for a good reason. In any case, it is said that the first official meeting of the maritime mafia with the Japanese has already taken place in Japan.

Today, the ill-assorted mafia has already gone through the process of the initial accumulation of capital, and it has entered the stage when it is simply necessary to unite with the local authorities. Which is occurring quietly. As far back as two years ago, A. Nezhelskoy, the chief of the kray administration of internal affairs, said that he knows cases of connections of certain deputies at various levels with shady business. And that some foreign "businessmen," under the mark of friendly relations, are illegally exporting precious metals and raw materials from Primorye, and the fact that shots can be heard frequently in our city are only echoes of decisions of quite official organizations. The mafia, which is becoming legalized, is conducting its endless division and is trying to make the entire economy criminal.

But the forces that oppose it are splintered and disunited. I will not talk about the technical equipping of our

guardians of order, and about the imperfection of the laws that virtually do not permit proving cases of corruption and organized crime. There is no order even in departmental cooperation. For example, state security organs possess information concerning connections between maritime and international crime, but they cannot use it, inasmuch as they are obliged to transfer all nonespionage cases to the militia. The militia would be glad to work on them, but it has no connections abroad, and the Primorye militia can be on amicable terms with Interpol [International Criminal Police Organization] only through Moscow. And also, the local militia does not have large forces. Considering the special situation in Vladivostok, the Ministry of internal Affairs of Russia, true, increased the staff of the City Internal Affairs Administration by 1,400 persons. But where can so many conscientious upholders of the law for a beggarly wage be found?

ECONOMIC AND SOCIAL AFFAIRS

Official Highlights Tax Collection, Payment Details

934K0369A Moscow LITERATURNAYA GAZETA
in Russian No 6, 10 Feb 93 p 15

[Interview with Vladimir Fedorovich Novikov, deputy chief of the Administration of Taxation of Individuals of the State Tax Service of Russia, by LITERATURNAYA GAZETA observer Irina Gurova; place and date not given: "Are Our Taxes Killing Us?"]

[Text]

[Gurova] The deadline for submitting declarations of income to the tax inspectorates (which is, as we know, 1 April) is drawing nearer and nearer, but many people are still not clear on the simplest thing: Precisely who has to fill out these declarations. Comments from workers of the tax organs, unfortunately, are contradictory. Some say that the only people who have to fill them out are those whose incomes exceeded 200,000, while others say that everyone who has had any income in addition to what they earn at their main job have to. Vladimir Fedorovich, what is the truth?

[Novikov] Tax declarations must be filled out by citizens of the Russian Federation who receive incomes from anywhere outside their main job. But they have to be filled out only if the total taxable annual income exceeds 200,000 rubles [R].

[Gurova] I want to clarify this: If you have two, three, or four places of employment and your income did not exceed 200,000—then do you have to fill out a declaration?

[Novikov] No, you do not. Even if you work at 10 jobs but did not earn 200,000 during the year. And conversely: If you have earned more than 200,000 but in just one place—you do not have to fill it out.

[Gurova] I understand. Now let us turn to the declaration itself. This document seemed very complicated to me—there were a lot of points, tables, figures, footnotes, clarifications...

[Novikov] At first glance the declaration really does seem complicated. But with attentive study you will see that it consists of only four sections and it is fairly convenient to fill out. Thus in the first section you must indicate your income for the year. Not all at once though, but in various categories. Therefore several tables are offered. In the first you enter income from your main place of employment—the one where your labor book is kept. I, for example, will write in how much I received from the State Tax Service, as they say, "gross," and how much tax has been withheld. In the second table you must indicate income received outside your main place of employment (except sums received in foreign states and from foreign states, income from entrepreneurial activity, and authors' remunerations). People who have no main job at all should pay attention here—they must indicate here the time at which one job or another was performed so that it will be clear to the tax organs the months for which the sum equal to the minimum wage is to be excluded from the taxable amount. Do you understand?

[Gurova] In general, yes.

[Novikov] Then let us move on to the third table. Authors' remunerations are entered here (including those received at the main place of employment).

[Gurova] I was told at the territorial branch office of the tax inspectorate that each of them has to be entered individually.

[Novikov] Yes.

[Gurova] But then journalists end up in a very interesting position (if they are among those who have to fill out the declaration). They can have dozens of publications in a month. Does all this trivia really have to be listed by name? There will not be enough room.

[Novikov] Indeed, there are only 15 spaces. But on the last line you can write "see appendix" and continue your list on a separate sheet. Incidentally, you do not have to list all the publications "by name" but the sum of the authors' remuneration for each publication. In an extreme case, if you cannot remember all the places where you have published and received honorariums, indicate at least the overall sum for the year.

[Gurova] Will the tax organ accept that version?

[Novikov] Yes. Although, of course, according to the law everyone is supposed to keep track of all his income over the course of the year. True, we have sent the tax organs clarifications in which we recommend that for the time being they treat the citizens, well...a little more leniently, maybe. The law was published late and people are still not used to it. People cannot have it all placed on them at once: Ah, you did not keep records? Then we will fine you!

[Gurova] Indeed, one must get used to changes. It is easy to keep track of earnings when a person has seen since childhood how his mother did it and his uncle and great uncle. But then it is a good idea to keep track of incomes if only so you can know how much they paid you! But you yourself know that almost nowhere do they ever give you pay stubs that indicate how much you were paid and how much was withheld. You sign for a certain sum—and that is it.

[Novikov] Yes, that is true. But if you know the tax rates you can do your own calculations... This is the simplest version: The sum does not exceed that from which an income tax of 12 percent is withheld. In addition to this, as we know, one percent is deducted into the pension fund. The total is 13. So what you "take home" (87 percent) you divide by 87, multiply by 100 and that is what has been paid to you.

[Gurova] And if the sum exceeded the 12 percent mark—and you have no idea of how much? And if it was paid at the main place of employment and, consequently, the amount of the minimum wage was exempt from taxes? And trade union dues were withheld and God knows what else? You could go insane! In general, if a person has not kept records or has not made deductions, he will now start going to the bookkeeping office for information—you can imagine what they will tell him there.

[Novikov] The bookkeeping office must give any citizen information about his earnings on demand. This is stipulated both in labor legislation and in the amendments to tax legislation of 22 December of last year.

[Gurova] You know how we regard instructions like that...

[Novikov] I know. Cases like that must be reported to the tax inspectorate.

[Gurova] Incidentally. Certain tax inspectorates require certified statements from all places of employment except the main one.

[Novikov] They do not have that right. The only items that are strictly mandatory are documents confirming your rights to benefits. Incidentally, since we have touched upon the required documents... You will see in the table with the authors' remunerations there is a column for "expenditures." That is, we take into consideration the sum of expenditures the author made while preparing the work. And we exempt them from taxation. Let us say that someone has written an article. Could he spend money on paper? Could he hire a typist? He could. Or, say, a sculptor. He needs materials and tools... So there is a decree of the Government of Russia (of 28 May 1992, No. 335) which says: If there are no documents

confirming these expenditures, we can exempt certain expenditures from taxation according to a norm.

[Gurova] Please be more specific.

[Novikov] Say a literary work is created (including for the theater, movies, variety shows, and the circus). According to the norm, 20 percent of the authors' remuneration is exempted from taxation because of costs.

Let us move on to the next table. This is income received for entrepreneurial and other activity which is taxed right in the tax organ. A person who has begun to engage in this kind of activity must notify the tax inspectorate within a month and make advanced tax payments.

[Gurova] What is included in this table? The manufacture of something, purchase and sales, intermediary activity?

[Novikov] Not exclusively. For instance, income someone receives from leasing out an apartment, dacha, or garage is also subject to tax. Incidentally, if your total income does not exceed 200,000, do not be deluded. The fact that you do not necessarily have to fill out a declaration certainly does not mean that there is no need to report your income to the tax inspectorate and pay taxes.

[Gurova] And are incomes from the sale of real estate taxed?

[Novikov] In the amendments to tax legislation of 22 December 1992 it is written like this: A tax is imposed on sums in excess of five times the amount of the minimum monthly wage if they have been received during the course of the year from the sale of private apartments, residential buildings, dachas, garden sheds, motor vehicles and other means of transportation, valuables, and works of art. The sum received from the sale of other property is taxed if it exceeds five times the minimum monthly wage. That is the way it will be in 1993. But in 1992 certain difficulties could arise.

[Gurova] As far as I can recall in tax legislation it was written that there is no income tax on sums received from the sale of property belonging to citizens with rights of ownership...

[Novikov] ...But after the comma it said: if this sale is not entrepreneurial activity with the purpose of obtaining an income.

[Gurova] As if anyone would sell anything without the purpose of obtaining income!

[Novikov] Precisely.

[Gurova] So what are the criteria?

[Novikov] We ourselves were unable to find them out from legislators and legal experts. Therefore the only thing that could be recommended to the tax organs was: Pay attention to whether large batches of goods were

sold, say, through commission stores. That really is entrepreneurship! But a little old lady who is selling her last belongings to buy bread and milk—can you really tax her?

[Gurova] Tell me, what about people who trade at second-hand stores—do they have to pay taxes?

[Novikov] They do. But in reality they pay minuscule amounts.

[Gurova] The fifth table, and the last one in the section on incomes—where do you enter the sum: received in foreign states or from foreign states? What special things do you have to know when filling this out?

[Novikov] You must write down the date you received the income. In fact the sums paid are indicated not only in foreign currency but also in rubles at the exchange rate. And the taxes are paid, as a rule, in rubles. But the exchange rate of the ruble is dropping drastically. And one and the same sum in dollars received in January and in December of last year is different when expressed in rubles. Incidentally, in order to indicate the sum in rubles it is not necessary to strain the memory or scour the newspaper files. The tax inspectorates have information about the change of the exchange rate throughout the course of the year... And so it seems that we have filled out the first part of the declaration.

[Gurova] But what if we did not? Vladimir Fedorovich, let us say that an enterprise has paid for a pass for me to go to a sanatorium—will they charge me the tax on its value or not?

[Novikov] Everyone, before submitting a declaration or deciding for himself whether or not he has to fill one out, must recall not only the monetary sums but also the material and other benefits he has enjoyed during the year. Let us say that the enterprise paid for a car for someone, or an apartment (or paid the rent on a dacha or apartment), a credit card for gasoline, or a pass, or let us say that somewhere they give out free food orders or pay compensation for meals—in a word, the enterprise spends a certain amount on you in addition to what it pays you in wages. You must pay a tax on all these sums, and for tax purposes the value of material goods is taken at market prices (if there are no state regulated prices for these goods). Let us take another possibility. The enterprise sells its workers goods at token prices. In this case they must pay a tax on the sum of the difference between the token price and the market price. And so the citizen must pay taxes on all the money spent on him. The exception is expenditures on children (children's passes, payment for day nursery under contract, etc.) and for special food (for instance, when the person works in harmful productions).

[Gurova] It seems that there are also business expenses...

[Novikov] Not really. Per diem is tax free only within the established norms. If out of generosity the enterprise pays more, a tax must be paid on the entire amount of the difference.

[Gurova] What about shares that have been received free of charge?

[Novikov] When it comes to privatization of state and municipal enterprises whereby their workers receive shares free of charge or at a discount—there is no need to pay taxes. Nor are taxes paid when shares are received in exchange for vouchers or when the vouchers are sold. But if the enterprise has bought shares for its employees—the tax must be paid. And not on the nominal value of the share but the price at which it was actually acquired.

[Gurova] And the last question about income. It sometimes happens that the bookkeeping office pays out wages in December but the citizen does not receive them, say, until January. To which year does this income apply?

[Novikov] To the one in which it was paid. Have we figured out the income part? Now about the second section of the declaration. Here you will have to indicate deductions from your income—sums not subject to taxation. First of all the amount of the minimum wage.

[Gurova] The minimum monthly wage changed during the year...

[Novikov] Yes, up until 1 May it was R342, and after that—R900. If you have worked all 12 months and have no benefits, you will not pay income tax on the sums $342 \times 4 + 900 \times 8 = R8,568$. But there are categories of citizens who have a larger share of income that is not taxed. For example, participants in the Great Patriotic War and people who participated in the cleanup after the accident at the Chernobyl nuclear power plant have five times the amount of the minimum wage exempt from taxes (that is, R42,840 in 1992), and participants in the war in Afghanistan—three times (R25,704). Citizens with children under 18 years of age (and if they are students in day divisions, up to 24) have a benefit in the form of one additional minimum wage tax free for each child. And effective 1 July 1992 the benefit applies not to just one of the parents as was previously the case but to both of them. We began our discussion with the question of precisely who must fill out the declaration. There can be interesting situations. Say a citizen's average earnings were 15,000 per month. And he earned another 40,000 under contracts. This means that he has 220,000 per year. Does he have to fill out a declaration? It would seem so. But in fact, knowing just these figures, it would be difficult to give a simple answer to this question. The declaration is filled out when the 200,000 is not the entire "gross" income but only the part which is subject to tax.

Now let us assume that this person has two children. From the taxable amount one subtracts three times the

amount of the annual minimum wage: $220,000 - 25,704 = 194,296$. And the declaration does not have to be filled out!

[Gurova] Are there any other deductions?

[Novikov] Yes. Amounts given to charity are not taxed if they are documented. Effective in 1993 there will be no tax on the sums you transfer to your pension fund. All rights to additional benefits must be documented and honestly entered on the declaration. True, there is also another table—the calculation of the overall sum of tax due. And it contains a column which in general the taxpayer must fill out. But we have written in our recommendations to the tax organs that the taxpayer need not fill out this section. Although if someone fills it out, it is very good. It is important in order to teach the citizen to calculate his taxes independently. Let them get used to it. It is a simple calculation. Total up all incomes. You receive the gross. Total up all deductions. Subtract them from the income. This is the sum subject to taxation. From the rates it is possible to calculate the amount of income tax due.

[Gurova] Incidentally, have they changed during the course of the year?

[Novikov] The ones in effect are the ones established by the Supreme Soviet of Russia on 16 July 1992.

[Gurova] What happens if I have underpaid my taxes...

[Novikov] The tax inspectorate will tell you the amount and you will pay it. If you have overpaid? The money can be returned or, at your request, it can be credited against future payments.

[Gurova] What sanctions are stipulated for citizens for violation of tax legislation?

[Novikov] For failing to file the declaration or filing it late—a fine in the amount of from R200 to R500, and for the same actions committed more than once in a year—from 500 to 1,000. It is possible to collect 10 percent of the sum of the income tax. For concealing or lowering the sums earned one can collect the entire sum of concealed income or the amount by which it was lowered (I emphasize: Not the tax but the entire income!). For repeat violations—all this doubled.

[Gurova] How terrible! What if a person has forgotten something?

[Novikov] In our letter to the tax organs we gave the instruction to impose the sanction only if it has been established that the violation was deliberate and malicious.

[Gurova] Does this mean that there is no punishment for accidental forgetfulness?

[Novikov] There should not be.

[Gurova] Thank you. I feel a little better. True, I am disturbed that there are no clearcut criteria...

[Novikov] Here is one criterion for you as an example. We do not count lowered (or concealed) income if it has been taxed; only income on which there has been no tax at all is considered hidden. This pertains largely to entrepreneurs. A simple situation: A merchant has received income and has not indicated it on the tax declaration but we found out about it. Then sanctions are applied. Large or especially large amounts of income that are concealed? It is also possible to bring criminal charges.

[Gurova] How are you going to uncover these malicious and especially large violations? Do you have the resources to catch everyone.

[Novikov] There are certain principles and devices. And as for resources... Even in the United States the tax police (with their experience and capabilities!) do not conceal the fact that they fail to collect about 10 percent of the taxes. And nobody falls into a faint over that. It is only in our country that we think that we must collect it all down to the last kopek. We will find as much as we can, and that is all.

Instead of an Afterword

For more than an hour Vladimir Fedorovich patiently answered my questions. Much became clear, but there are some things I still do not understand.

I do not understand how to fulfill many of the requirements (even the easier ones) of the tax inspectorate in practice.

It is remarkable that they must give us statements of earnings on demand. But I have already been told at one organization: Come at the beginning of March when we have general information.

So should one complain to the tax inspectorate? But by the time you run here and there all the deadlines will have passed. (And, incidentally, nobody is giving me time off to go around and collect these certificates.) And I would be glad to take advantage of the fact that, as Vladimir Fedorovich says, in an extreme case you can write down the sums from memory and partly in general form (although this is not always possible since during the first months of the year, before the law was published, nobody kept accounts). But here is the problem: Several people have already complained to me that in the tax inspectorates they were categorically told: You must have documents from all places of employment except the main one.

Perhaps those clarifications from the State Tax Service which advise them not to be too hard on us the first time have not yet reached the tax inspectorates... Just as the blank forms for tax declarations "did not reach" us. They promised to send them out but they did not do so. They say it is because not everyone needs them. That is logical. But why did they not even send out to many places reminders of who has to fill out the declaration and who does not and also where the tax inspectorates and consultation points are located and when they are in operation?

In Moscow, for instance, the city information service cannot always tell you specifically which territorial branch of the inspectorate is yours. And if you dial the number of the question line of the city tax inspection, instead of an answer you will hear strange warbles. People in the know explain: That is the sound emitted by a fax that is hooked up... As they accumulate, these small things complicate the process of filling out declarations to such an extent that you automatically ask the question: Is the state really interested in collecting taxes from us?

Functions of New 'Tax Police' Defined

934E0166A Moscow NEZAVISIMAYA GAZETA
in Russian 18 Feb 93 p 4

[Interview with Yuriy Chichelov, deputy chief of the Main Administration for Tax Investigations, by Ivan Sas; place and date not given: "The Tax Police Are Being Created in Russia: Its Associates are Former Ministry of Internal Affairs, Ministry of Security, and Ministry of Defense Officers"]

[Text] A new structure has started to operate under the Russian Federation State Tax Service—the Main Administration for Tax Investigations. It is staffed not with the graduates of bookkeeping courses but officers of the three "power" departments—the Ministry of Security, the Ministry of Internal Affairs, and the Ministry of Defense. To all appearances the associates of the new special service will be granted broad powers, right up to the right to hold, carry, and use firearms. "It is as if the tax service is preparing for an armed invasion of the world of business and entrepreneurship. Is this really so?" This was the question with which I opened my interview with Yuriy Chichelov, deputy chief of the Main Administration for Tax Investigations.

[Chichelov] I think that there is no need to convince you that in the world of business and entrepreneurship it is not now only law-abiding citizens of probity who are making the money. The more so since the ugly symbiosis of market spontaneity and the criminal milieu is today presenting a serious threat to the reforms. Judge for yourselves. At a time when the budget is bursting at all the seams and when the government does not know where to find the means to pay the pensions of poverty-stricken old people and the wages for people working in the budget-funded sector, the billions that should be augmenting the state treasury are flowing right past it. According to the official figures the state fails to obtain 30 percent of taxes, but this indicator may be significantly higher.

Why am I saying this? We recently undertook certain operational measures, and in Moscow alone we found more than 1,000 entrepreneurial structures that had not registered at all anywhere, that is, there was no question of payment of taxes. And as many again deduct some miserly sum as a blind while the main income is carefully hidden from the tax services!

Things have reached a point where the profession of tax inspector is becoming a dangerous one. Just in several months of last year 139 instances were recorded of an associate of the tax service and his family being threatened with physical reprisal, and there were 40 cases of arson, damage to property, and assault and battery. There were cases in abundance in which doors were rudely slammed in inspectors' faces without them even stepping over the threshold, or of them being refused the necessary accounting documents.

Meanwhile, more than 80 percent of associates in Russia's tax service are women. They are simply afraid to go where they are sent. They need physical, strong, armed backup by armed persons capable of guaranteeing their safety.

Accordingly, our administration was set up by the edict of the president of Russia dated 18 March 1992. But we were able to start our practical work only in August, and formation of the territorial organs continues even now.

[Sas] Can it be said that Russia now has its own tax police? And if so, what will be their legal status?

[Chichelov] Yes, in fact a special service has been created in Russia which has analogues in almost all civilized countries, and it is quite possible that it will be called the tax police.

With respect to the legal status, with the amendments that have been made to existing legislation our administration has been categorized as a department that conducts operational investigations on an equal footing with the Ministry of Internal Affairs, the Ministry of Security, and foreign intelligence. Strictly speaking, our associates have been given the right to use the methods of law enforcement agencies, including acquiring sources of information, using special technical means when necessary, and so forth. We hope that in the very near future a decision will be reached giving our associates the right to hold, carry, and use firearms.

But the legal foundation for all our activity will be the law of the Russian Federation "On the Tax Police," a draft of which is having its first reading in the parliament at this time.

[Sas] How will your subdivisions be structurally organized?

[Chichelov] The entire structure is being created in accordance with the missions that are being entrusted to us. They will include the set of operational investigations, the set of subdivisions providing physical protection, a special structure to fight corruption within the tax service, and an operational technical subdivision.

The corresponding formations are being formed for the tax inspectorates in the krais, oblasts, and autonomous formations of Russia. At the local level there is to be a small city or rayon apparatus. But we are not setting up these lower subdivisions of tax investigations in every rayon and small town, but in one certain "group" for a

region according to the circumstances. There will be 464 of these organs throughout Russia.

[Sas] How will they be staffed?

[Chichelov] According to the instructions from the Russian government dated 14 July 1992 we shall be given small quotas to recruit experts from the system of the Ministry of Security and Ministry of Internal Affairs, about 1,000 people in all. In connection with the cut-backs in the Army, the Ministry of Defense will be allocating us considerably more—about 3,000 people.

[Sas] Business and entrepreneurship make up a sophisticated sphere. Will yesterday's battalion commanders be able to handle this or will they be all at sixes and sevens?

[Chichelov] I do not say that there will not be a problem here. But it is one that can be fully resolved, and we have already been convinced of this in practice.

First, we are not taking people on staff at first sight, as they say. Selection will be very serious and we will have a choice; many people want to join.

Second, it should not be thought that Army officers are capable only of drilling on a square. An airborne assault officer is already almost perfectly trained for our physical protection subdivisions. There are fine specialists in finances and operational work among them. It is another matter that it is impossible always to accept such a person for the banal reason that he has no housing and we unfortunately are not at present in a position to help because we have no funds.

Third, all those who make it through selection are sent on courses where they receive basic training in special disciplines, tax law, and so forth. Studies are conducted on the basis of the Ministry of Internal Affairs and foreign intelligence training establishments under the leadership of high-class professionals. The first graduates have shown that it was not necessary to dismiss anyone because of professional unsuitability.

[Sas] What are the selection criteria?

[Chichelov] We approach everyone on an individual basis, imagining where it would be best to use a person, and what his strengths may be. But there are also stringent criteria that we enforce strictly. One of them, for example, is physical training. Those who have any tarnish on the moral plane are turned away immediately. For essentially we are throwing a person into a "corrosive" environment and it is very important that he be able to withstand the numerous temptations.

[Sas] Does this mean that he does not necessarily have to be a superman: shoot out the center of a dime and break through plate glass with his shoulder?

[Chichelov] We will also have supermen, we already do. For example, for associates of the not-unknown Alfa group, the presidential bodyguard, and other special

subdivisions. And you will agree that to "be in the pot" with the aces of another age is also a great school for the younger people, but we are giving preference precisely to young people—Army officers.

[Sas] Yuriy Vasilyevich, you mentioned your own kind of "counterintelligence" within your structure—a subdivision to deal with corruption. How great is the danger that your people will start to "milk" commercial structures not for the state pocket but their own?

[Chichelov] World practice shows that no tax service is insured against this disease. Ours especially. Let me cite you a recent case, without mentioning names or companies, that a group of our associates checked. They found hundreds of millions of rubles of tax had not been assessed. "Let us do this: You know nothing and I will give each of the nine of you a Zhiguli car." This is what was proposed to them. The lads, of course, refused. But most of them (I know this) are "without wheels," and it is an unrealizable dream to buy those same nine cars for them.

World practice also suggests methods for dealing with corruption and bribery. The most effective means is to establish for a tax inspector the kind of salary that makes him value his job and have no desire to take on the side. Unfortunately, we are still in no position to set this kind of level of salary for our own associates; the appropriations given us do not permit this. I am therefore setting my hopes on the moral steadfastness of personnel, and, naturally, on the monitoring organ that could be called "tax counterintelligence."

[Sas] State structures are now springing up like mushrooms. Maintaining them all is complicated...

[Chichelov] The tax police are not an expense for the state but a structure that earns income. Let us make a comparison. In 1992 some 246 million rubles [R] were spent to set up our subdivisions. But we have already returned R870 million of concealed taxes to the state. Another 2.0002 billion have been deducted and will soon be available as state income. And we started work only last August, and from virtually nothing.

[Sas] Many entrepreneurs and businessmen regard your structure with caution. Are there any guarantees that they will be protected against wilfulness on the part of your people?

[Chichelov] Their activity is protected by law, and any of them has the right to complain about unlawful actions by the tax service in the courts. I guarantee that there will be no conflicts with law-abiding entrepreneurs.

I would like to emphasize that our functions are not punitive.

Antimarket Elements Seen in Policies of Economics Ministry

934E0166B Moscow PRAVDA in Russian 19 Feb 93 p 2

[Article by Professor Vitaliy Paliy, doctor of economic sciences: "Mr. Nechayev's Economic 'Crowbar'"]

[Text] When I was speaking recently at a seminar in Ryazan, the following note was handed up to me from the hall: "According to information from the Russian Ministry of the Economy they are preparing a decree whose aim is to isolate accounts of amortization funds. This is supposedly necessary in order to monitor their proper use, and even for centralization during structural reshaping of the national economy."

It seemed to me that here was something incomprehensible. And I tried to reassure my colleagues in Ryazan. For in the late 1980's a Union decision had already been adopted to centralize 20 percent of amortization funds of enterprises. This measure, however, produced no useful results and served merely to promote the suppression of investment activity.

Under market conditions, centralization of amortization funds would mean nothing other than removing circulating capital from enterprises. Meanwhile, the Seventh Congress of People's Deputies obliged the government to devise and introduce a mechanism for indexing these funds against total inflation. But does it now turn out that instead of indexation they are preparing for additional removal? Strange, very strange...

After I had returned to Moscow I telephoned the ministry. They told me that in fact a proposal had been submitted to the government to concentrate in special bank accounts all enterprise assets earmarked for accumulation. Including amortization deductions.

A miracle! It is clear to the experts that such a measure is in no way inscribed in a market economy. Moreover, it contradicts it. Nowhere in the world is the right of enterprises to dispose of their own assets restricted, or to open accounts in banks, and engage freely in operations with their own accounts. And they are proposing that we return to the practice of the 1930's that we have only just recently abandoned. So it is surprising, is it not, that a consistent market supporter such as Mr. Nechayev suddenly proposes methods that were used here during Stalin's rule? One can sympathize with the highest echelons of power. The real economy is being squeezed and they have no ideas of their own. Nor does Friedman write anything on this subject, and other Western advisers are also drooping, and so they turn to Stalin.

In the 1930's, however, and in subsequent years a clear-cut delineation between circulating capital and amortization deductions was dictated to the Soviet authorities by the logic of the centralized planned economy. Now, market conditions have been declared. But it is as if the leaders of the Ministry of the Economy do not understand the essential nature of amortization in

the market. They still regard it as a means of restoring worn out fixed capital to its former condition. But the market defines other purposes. Amortization is a method to return capital immobilized in fixed capital. In other words, to restore it to circulating capital. And Mr. Nechayev's department is once again trying to remove it in a predatory way from circulating capital of enterprises and place it under strict control.

These actions are not simply antimarket. They constitute a unique kind of economic "crowbar" with whose help enterprises can be swindled and stripped and their foundations undermined. The mechanism is very clear. Some part of circulating capital is placed at the disposal of the commercial banks and is used to feed their credit resources. While the enterprises, experiencing a shortage of circulating capital, will be forced to go to the banks for money in the form of loans at huge interest rates. I say it again: The actions and proposals of the Ministry of the Economy clearly favor the commercial banks and are against the enterprises—the producers of goods. Their costs will rise, giving the inflationary spiral another turn.

The money collected in the special bank accounts cannot be spent immediately for capital investments. Certain conditions must be met for this: construction capacities, materials, equipment. And finally, time. There are shortages of all these things. Prices are rising at 30-40 percent each month. This means that the rubles deposited in special accounts will be devalued by a corresponding amount. In three months their purchasing power will be no more than 350 rubles [R] for each R1,000 deposited, and in six months they will be worth nothing.

But the "great experts" in the Russian Ministry of the Economy have found the ideal vehicle for pillaging existing enterprises. Let me remind you that not so long ago President Yeltsin criticized Nechayev for the fact that no significant case of bankruptcy had been brought. I think that the new economic "crowbar" will quite quickly fling open the door to bankruptcy for many Russian enterprises.

Central Bank Deputy Chairman Defends Policy

934F0190A Moscow ROSSIYSKIYE VESTI in Russian
2 Mar 93 p 5

[Article based on materials presented by A. A. Khadruev, deputy chairman of the Russian Federation Central Bank, at a meeting of the "Vzaimodeystviye" [Interaction] club: "Let Us Define Our Priorities"]

[Text] The main reproach which is addressed to the Central Bank consists of the fact that instead of fighting inflation and limiting the growth of the monetary mass, the bank is engaging in support of production. The leaders of the Central Bank understand perfectly well that the highest priority for it may only be the stability of the national monetary unit's buying power. Yet not in one country of the world is there a Wall of China standing between the financial and the real sectors of the economy.

Any central bank, in establishing the key reference points for growth of the monetary supply, proceeds from at least three basic parameters: The growth rate of the GNP [gross national product], the level of inflation, and employment. It is also impossible to work without considering the economic policy implemented by the government. The Central Bank, in turn, influences the dynamics of the macroeconomic variables through specific instruments of monetary-credit policy.

Under conditions of a classical balanced market economy, if there is a regression of it, the Central Bank utilizes clearly defined methods: stricter monetary-credit policy. If, however, the economy is in a depressive state, then, on the contrary, the monetary growth is stimulated by the reduction of interest rates, and so forth.

It is a more complex matter when the economy is in a state of intertwined inflationary and stagnation processes. Then great inventiveness is required on the part of the Central Bank. World experience shows that a stricter credit-monetary policy and the struggle with inflation under these conditions leads to increased stagnation of the economy. And here we are forced to encounter the unpleasant problem of choice within the "magic" triangle: Is it necessary to fight inflation at the expense of growth of unemployment and decline of production or, on the contrary—to fight against the decline in production at the expense of intensification of the inflationary processes?

This is what they do not always take into consideration when they loudly accuse the Central Bank of engaging in production. The TsBR [Central Bank of Russia], in implementing monetary-credit policy, must know what the money is going for, and whether the return of credits will be ensured.

Moreover, the Central Bank of Russia is not a monobank. For five years already, a two-level banking system has been functioning in Russia. There are over 3,000 commercial banks (along with their branches). Since they grant credits to enterprises under conditions of stagnation of the economy, accusing them of group egoism is not quite justified. The high mark set by them is the payment for risk.

In our country, for many decades prices were isolated from supply and demand, and were under the strict control of the state. Therefore, the rapid growth in prices with the beginning of market reforms was conditioned not so much by the increase in the monetary supply as by the transition of inflation from a hidden and suppressed to an open form. The freed prices strived to a certain equilibrium level. This would have happened also if the monetary circulation had been in order.

However, we began implementing capital market reforms without ever defining the boundaries of the ruble zone, having taken hasty steps in the system of payment-accounting relations, when the process of formulation of the commercial banks had just begun, and in the absence of a bank audit, bank statistics and information.

Nevertheless, if there had been a pure institutional and economic environment in Russia, i.e., if there had not been the monstrous, deformed structure of the national economy and the super-high degree of monopolization of the economy, then the liberalization of prices could have demonstrated quite quickly the real relation of supply and demand.

If we speak of the policy in the industrial sphere, already at the very beginning of the reform it was necessary to isolate those enterprises or sectors which required state support. Such types of production which had prospects of being effective could have made contacts more easily also with the commercial banks.

Today, even according to the underestimated data of the Goskomstat [State Committee for Statistics], the mutual debts of enterprises comprise four trillion. Their indebtedness to commercial banks is two trillion. These debts will have to be written off onto the state debt or given to the commercial banks, which will somehow have to extricate themselves.

Thus, despite the desire of the Central Bank to concentrate on monetary-credit policy, it cannot implement it in isolation from budget, structural, and investment policy. The bank must consider the situation which is being formed in production, even though it does not bear responsibility for this sector of the economy.

I would like to briefly discuss how the situation was formed in the country after the start of the radical economic reforms. A course was immediately taken toward achieving a deficit-free budget. At the same time, the system of taxation was changed. But, as life showed, we did not learn to collect taxes under the new system. According to the data for October, the NDS [expansion not given] undercollected in the sum of around 700 billion rubles [R].

Under the conditions when 40 percent of the technical means require replacement, while the wear of capital in many sectors reaches 65 percent, it was necessary to perform a re-equipment of the fixed capital, to index the turnover capital, at the same time knowing exactly which enterprises or sectors need to be supported and which do not. Because regardless of what policy is implemented in the sphere of prices, the monetary supply and the budget, if the monstrous structure of the national economy is reproduced, it will generate the unbalanced conditions of its functioning.

The notion that it is enough to remove the monetary cover, to free prices—and the prerequisites will be laid down for the creation of balanced economic growth—was reflected in the credit-monetary policy implemented in the first half of 1992. As a result, in January-April the monthly growth of the monetary supply comprised from 9 to 14 percent, significantly lagging behind the growth of prices.

Trying to hold down the growth of the monetary supply by any means, we achieved the fact that the money which

was lacking was replenished by low-liquidity quasi-money in the form of mutual debts. As a result, already in May the monthly growth of the monetary supply comprised 27.9 percent and, gradually increasing, reached 31.9 percent in August. In the Fall the growth of the monetary supply slowed sharply. In November the growth comprised only 5 percent. In December the monetary supply again increased by 19 percent.

At the same time, the budget began to "burst at the seams." For 1992, a republic budget deficit in the amount of R950 billion was ratified. In fact, the deficit comprised R1.167 trillion. However, if we add to this those funds which went through the Supreme Soviet and were formulated as credit to the Ministry of Finance, i.e., the Government, then the deficit will comprise R1.971 trillion. In December the Ministry of Finance appealed to the Central Bank with a request to give it a R800 billion advance for January of the current year. Thus, the republic budget deficit, taking into consideration the advance, comprises R2.571 trillion. Under these conditions, it is unrealistic to set the task of reaching a budget deficit of, say, 5 percent, in the course of one or two quarters. I too am a proponent of the zero budget deficit. Yet I know that from here to my house, considering the condition of my heart, I will be able to run in 30 minutes. I could set myself the task of getting there in 10 minutes, but then I would die along the way.

Centralized credit resources continue to play the main role. This allows the Central Bank to administratively control the increase in the monetary supply. The primary share of the centralized credits was issued to enterprises in the agro-industrial complex—R1.3 trillion and in the fuel-energy complex—R354 billion. The rayons of the Far North received R268 billion, and the industrial enterprises received R495 billion.

In just a year, the monetary supply, if we take cash money, has grown by approximately 10 times, and the total monetary supply—by seven times. Credit investments have increased by 10.4 times. Wholesale prices, on the other hand, according to the data of official statistics, have increased by 34 times, and consumer prices—by 26 times.

A budget deficit of R3.5 trillion has been officially announced for this year. Moreover, different sources indicate different data on the planned amount of the budget deficit—ranging from R3 trillion to R10 trillion. We are unable to predict the monetary supply for this year, since we do not know what the budget deficit will be.

In our country, enterprises have always been under-credited, and the budget—over-credited. Enterprises receive credit at 80 percent, and the budget—at 10. And

this is called "strict monetary policy!" The commercial banks prefer not to have any dealings with long-term credits. They work primarily with clients who ensure quick turnover of capital. The real situation puts them in this position. Therefore, enterprises remain under-credited, despite the influx of considerable funds to the commercial banks along the line of centralized credits.

The decline in production is continuing, and we find ourselves in the trap of "stagflation." But we can still get out of this situation. For this, we must think about when we can opt for prudently harsh budget limitations, which we include in the concept of moderate monetary deflation policy, support of production and social protection.

The question arises, what instruments should be used and what reference points set by the Central Bank? It was decided to use two parameters: The dynamics of the total monetary mass and the availability of money. The need for using the second parameter was dictated by the stereotype of payment-accounting relations which was formed in our country. Unlike most of the developed countries, the state of affairs on the consumer market is closely associated with the amounts of payments in cash money. According to the computations of the Central Bank, which are rather optimistic, in the next three months we can expect a monthly increase in the monetary supply by an average of 19 percent.

And a few words about the interest rate. We understand better than anyone the advantages of favorable interest rates. However, there are two problems which place the reality of such a measure in doubt. First of all, are our enterprises ready to take credit at such a high percentage rate and, secondly, will they not simply add this interest on to the price? Consequently, this will spur the intensification of the inflationary processes. Moreover, an interest rate which is rather high will inevitably aggravate the stagnation of production.

At the same time, understanding the shortcomings of cheap credits, the Central Bank decided to opt for the organization of credit auctions. At these auctions, the rules of the game characteristic for civilized credit relations will gradually be formulated.

Problems of Russian 'Silicon Valley' Viewed

934F0190B Moscow ROSSIYSKIYE VESTI in Russian
2 Mar 93 p 4

[Article by Leonid Milovanov: "How 'Kvant' Can Get on Its Feet"]

[Text] Frankly speaking, this was the first time that I had occasion to see such dead shops: frozen conveyers, test benches, and depopulated OTK [technical control sections]. And over the entire expansive space there was the latest Japanese and other foreign apparatus and two or three associates maintaining the necessary humidity and temperature in the building to protect the expensive electronic inner workings. It seems like a museum, but that is how the Zelenograd plant "Kvant" looks today.

The first shop, intended for production of 100,000 computers per year, quite recently produced DCC (dialog computer complexes—personal computers), but on the day of my visit there was not a single part at the assembly warehouse. There are no funds to buy them abroad.

The neighboring fully automated shop, which had been placed into operation in late October of last year, has not worked even a day for this same reason. Yet it could produce up to half a million modern computers per year, including with the brand of the famous American company IBM. In other shops, which have also been re-equipped in recent years, the overall picture was also sad. In some places they work in one shift, in some two...

Until the end of the 80's, the producers of household and industrial electronics from Zelenograd, which is near Moscow, were the monopolists on the domestic market. The mass consumer took whatever they offered, not knowing about any other possibilities and trusting the sadly famous "seal of quality." The flow of Western products which rushed to our markets in recent years created competition, and the warehouses of the Zelenograd producers of electronic technology became filled with goods. There was no income and no credits. Last year was especially difficult, when almost all the enterprises and institutes of Zelenograd "sat" in the card files. It is true, the reaction of the managers was varied. Some waited for state infusions in the old manner, while others engaged in an independent search for a way out of the difficult situation.

At that time, "Kvant" undertook a reconstruction, although the black mark of insolvency did not pass it by. The plant continued to manufacture and improve products which were in demand, to seek orders which were profitable for the collective, and to develop new instruments, which significantly helped complete the re-equipment of the plant. But in order to manufacture competitive products today, it is necessary to buy certain complement parts abroad. In previous years, they were able to find a certain amount of currency for these purposes, but now there is practically none.

When in the Fall of last year the IBM company appeared on the horizon, "Kvant" was ready in terms of its technical equipment to carry on a dialogue with it on an equal footing. The negotiations were complex. The firm wants to work in Russia, but is cautious toward the proposals of Russian entrepreneurs, because it has already twice been burned, having trusted the promises of fellow negotiators. In principle, the "IBM-Rossiya" project developed jointly with "Kvant" has a chance for realization.

The partners have grandiose plans—to saturate the Russian market with current computer technology. But for this, "Kvant" still has a long way to go. Thus, in order to

manufacture computers bearing the IBM brand, certification of the entire technological cycle by the firm's specialists is required, and this will take from six months to a year.

"The joint project will give us the opportunity to undergo a good school of quality," believes "Kvant" chief engineer Viktor Plekhov. "IBM is already now ready to buy power supply units, print boards, keypads, and metallic housings from us. However, we must manufacture the parts according to their standards. We are fully capable of doing this."

"Kvant" has a chance to become the "trend setter" on the Russian computer market. According to the evaluations of specialists, the demand for them in the country comprises four million a year. The plant is capable of producing a million, with 100,000 coming off the conveyor bearing the IBM brand name.

"In this business, if you produce faulty goods, you will immediately go bankrupt," says "Kvant" General Director Bogdan Podatayko. Firms in Taiwan, South Korea and Malaysia have all gone through the trials of bankruptcy. Perhaps we too will not be able to avoid this. We have enough bright minds and skill, but we do not always have enough conscientiousness, production culture, and the habit of doing everything in strict accordance with the documentation. We will have to learn all this.

However, interesting and promising prospects may not occur, because, as it sometimes happens, having overcome a high mountain, one might trip over a bump.

"We have spent \$62 million on construction and re-equipment of the plant," says Bogdan Polatayko. "And today, in order to give a start to the new production, we cannot find three or four million for buying the complement parts which are not produced in our country. And so the expensive equipment stands idle."

We cannot say that efforts are not being made to help "Kvant" and the other enterprises of the electronics industry. The prefecture and the city soviet were instrumental at the end of last year in obtaining preferential credits. With their help, the government of Moscow somehow sought out certain funds which, perhaps, will make it possible to get production at "Kvant" moving at the end of February. But this is an extraordinary case, an instance of "putting out the fire," yet what is needed here is a well-planned state policy.

On the day I visited "Kvant," they were awaiting the visit of Prime Minister Viktor Chernomyrdin in Zeleznograd. Evidently, due to pressing matters, the trip was postponed. I asked Bogdan Polatayko: What problems did he intend to raise in his discussion with the head of the government?

"I think there are enough rational people in the government who understand that it is necessary to give comprehensive support to promising sectors which are

capable of rapid return. In today's prices, 'Kvant' can have 550 billion in annual income. With a 20-percent deduction to the state budget, the state will receive 110 billion in income. Add to that the 10 percent which is deducted in issuance of credit, and the 20-percent tax on surplus value. This is not counting the tax on profit. So that the three or four million dollars which we need today will be returned to the state by the end of the year, and then some. Why should it pass up such a benefit? There are also other no less significant problems which have rained down on our heads unexpectedly. Specifically, the new customs policy. Today the customs duty on the import of a floppy disk is 25 percent, the same as for an ordinary audio system. For monitors the duty is 30 percent, the same as for televisions. Household electronics entertains the everyday citizen, but we are importing complement parts for the production of computer technology which is necessary to the state. And as of February they have also added a 20-percent NDS [value-added tax] for imported goods. If I have produced something—go ahead and collect, but if I have already paid the producer, why must I pay again to someone who has nothing to do with the deal? Plus, I have converted rubles to dollars at a loss to the plant. If we remove the tax on goods imported for industry, then a 'Kvant' IBM computer would cost the consumer \$830. Today, however, its cost will be no less than 1180 'greens.' The difference, as you can see, is significant."

Under the current tax and price policy, the cost of other products for the plant provided by foreign suppliers also increases. The range of these products is rather broad: modernized school and game computers, decoders for television sets and telephones with number locators, burglar alarms for apartments, offices and enterprises, instruments for militia workers, and many other things.

Both technically and morally, "Kvant" is ready today to manufacture world level products. But, like a pendulum, all it needs is a slight nudge, and then it will gain speed by itself. But for now... to the numerous taxes there was recently added another 3-percent tax—for development of agriculture.

Overview of Unemployment Situation in Russian Federation

934E0174A Moscow TRUD in Russian
24 Feb 93 Evening Edition pp 1-2

[Article by TRUD political commentator Vitaliy Golovachev: "Eight Months Without Work: The Army of 'Unneeded' People In Russia Grows by 1,500 People Daily"]

[Text] Last January, unemployment in Russia continued to grow steadily, although not as fast as had been forecast. As of 1 February, the total number of people without work, looking for work, and registered at labor exchanges was more than 1 million (1,028,808). Only

628,000 of them have the official status of being unemployed, however. These data are reported in the latest release by the Russian Federal Employment Service.

Statistics show that there is no avalanche-like increase in unemployment yet, but it appears that there is not much to cheer about either. According to expert estimates, in addition to 1 million "officially" nonworking people, about 2 million more Russians worked only from time to time in the "partial unemployment" mode. This means a reduced work week, forced leave of absence, miserly wages... In the environment of the proclaimed strict credit and financial policy, which is the only way to save us from galloping hyperinflation, many enterprises face the real probability in the next few months of finding themselves not just grounded but in a critical situation. Then layoffs will amount to much more than several tens of thousands a month, as is the case now.

Actually, even today this trend can be seen quite clearly. The number of "official" unemployed increased in January by 8.8 percent. This is a serious rate. Every day the army of "unneeded" increases on average by 1,500 people. Few among them are housewives who after a long break have finally decided to find a job. No, the increasing numbers of unemployed reflect first and foremost those who have been laid off, lost their permanent place of employment.

At the same time, the number of job openings, information on which is submitted to the employment service, continued to drop. As of 1 January of last year the demand for labor stood at more than 840,000 people; as of 1 April, this number was 450,000; currently it is less than 300,000. The number of current vacancies seems quite insignificant as compared with the millions of people looking for jobs. Another factor is important here: Many are psychologically not ready to change the nature of their job. Meanwhile, only a little more than 12 percent of openings are for office workers; the bulk of them are blue-collar jobs.

One would think that in this situation the first thing to do would be to set up a broad network of retraining facilities that would allow those who have lost their jobs to improve their skills or to get a new profession. So far, however, this practice is not being implemented on a large scale: In January, only 4,300 people went through professional training on referral from the employment service; another 19,600 are continuing education. A drop in a bucket... Even fewer are engaged in public works.

Specialists had high hopes for the expansion of the nonstate sector of the economy. There is, indeed, some progress in this respect. For instance, there are already 4 million people employed in the private sector. Still, the development of small and medium-size business is proceeding very slowly; so far, it is unable to perceptibly soften the blow of unemployment. Besides, as employment service specialists note, employers' attitude in hiring is becoming increasingly tough and selective; they

are increasingly not satisfied with the skill level of applicants offering their services.

Especially alarming is the formation of a stratum of long-term unemployed. Of their total number, six percent have not been engaged in productive labor for more than eight months. Tens of thousands of people essentially have found themselves thrown out of life, and it will be increasingly difficult for them to find jobs. These "rejects" are the main source of the dangerous lumpenization of society.

These problems are most acute in the central and northern oblasts of the European part of Russia, Sakhalin, Mordovia, Udmurtia, Dagestan, and North Caucasus. The highest level of unemployment is in Yaroslavl, Pskov, Kostroma, Ivanovo, and Murmansk Oblasts, and St. Petersburg...

Last year about 2.5 million people applied to the employment service; of them, jobs were found for one-third. This year, opportunities for finding a job are declining considerably. In January the employment service helped only 51,000 people to find jobs (this is 20 percent less than the monthly average in 1992). The trend towards growing unemployment requires the government to pay closer attention to this problem. First and foremost, to ensure capable, effective, and immediate support for small and medium-sized business in the production sphere, as well as to appropriate money for setting up a broad network of retraining facilities. Underestimation of the danger of expanding unemployment may cost the entire society dearly, not just the government.

FNPR Accuses TRUD of Anti-Union Bias

934E0174B Moscow TRUD in Russian

24 Feb 93 Evening Edition p 2

[Article by Vladimir Loktev, TRUD editor, trade union department: "A Threat, With Best Wishes: Why an FNPR Top Official Wants TRUD To Be Fined 10 Million Rubles"]

[Text] Let us be honest—some of our newspaper's critical materials on the topic of trade unions are clearly not to the liking of some top officials in the FNPR [Federation of Independent Trade Unions of Russia]. Generally speaking, this is natural. Gone are the times when TRUD generously made its pages available to bland trade union officialdom; when the desire of various trade union figures to share "their views" on some or other problem (or most often on the social situation "in general") were taken by the editors almost as a "directive for action."

Today the situation is different. TRUD is an independent nonpartisan newspaper, whose founder is its creative collective. Only this collective, as well as the editor in chief and the editorial board elected by it, define the "policy" of the publication. And, of course, our subscribers, the readers. It looks, however, as if such a state of affairs does not very much suit some trade union

leaders in the FNPR. Although the editorial staff already "sorted it out" with the federation's leadership and its chairman, I. Klochkov, in our material "The Reader Is Our Main Judge" (TRUD, 1 October 1992).

And now, a new wave of complaints against the newspaper. Within a four-day interval—two angry letters.

In the first letter dissatisfaction with TRUD is expressed, so to say, in an abstract tone. I quote:

"We (that is, the FNPR leadership) hear complaints that the newspaper... makes no attempt to objectively reflect the processes currently taking place in the trade unions, makes no effort to understand the problems and help to solve them, but rather takes, as a rule, the role of opponent of the trade unions, propagandist of anti-trade union views. We ask that the aforementioned problems be discussed at an editorial board meeting with the participation of representatives of the FNPR and its member organizations."

Oh, God, what a familiar tone: discuss, censure, take measures, draw organizational conclusions. What if TRUD happened to be an FNPR newspaper? The trade union top brass would have shown us "freedom of the press," and supervision of the press. "Does not try," "makes no effort"—these are not argumented points. And then—who specifically is complaining about the newspaper? And, again, why are these complaints being "voiced" to FNPR bureaucrats rather than the editorial staff? And finally: If the views of the editorial staff and the FNPR leadership with respect to methods of protecting the rights and socioeconomic interests of workers do not always coincide, this is not an excuse to label the newspaper an "anti-trade union propagandist." Especially considering that the trade union movement itself lost its "monolithic unity" long ago and new, alternative trade union associations number in the tens. What, and with whom, will be discussed at editorial board meetings is the editorial board's business. Although, naturally, we are not going to dismiss out of hand sensible, nondirective proposals no matter where they come from. On one condition: that nobody will try to impose them on us.

In the second letter, the "buds" of discontent over the newspaper have already transformed into "berries" of strange irritation and even threats of legal action. (We publish the letter unabridged and unedited.)

"Dear Mr. Editor in Chief! On 22 January of this year TRUD published an article by Mr. Kozlov 'It Is Time for Trade Unions To Come to an Agreement,' which contained deliberately false fabrications about the Federation of Independent Trade Unions of Russia.

"In particular, the said correspondence says that the Federation is among the 'organizations or organs, created or financed by employers and political parties.'

"You probably did not utilize all the means at your disposal to verify such information before it was published in your newspaper, and the authenticity of the on which documents it is based.

"In connection with said publication, and on the basis of the Russian Federation Law 'On the Press,' we suggest that within three days from the date of receiving this letter you voluntarily publish without any changes whatsoever the text of the attached refutation and make public the documents proving the fact that the Federation of Independent Trade Unions of Russia was created or is financed by 'employers,' as well as political parties.

"We would be very grateful if you could send facsimile copies, properly notarized, of the original documents you probably used in preparing this material for publication and verifying it before signing it to print.

"We would be extremely upset if you refused to comply with our legitimate request, which would force us to turn to the courts to protect our right to have a refutation published.

"Taking into account the catastrophic financial situation of the newspaper managed by you and the difficulties you have to overcome in receiving state subsidies for your sustenance, the size of compensation for moral damage inflicted on the Federation of Independent Trade Unions of Russia will not exceed 10 million rubles. Surely you understand that paying said compensation out of court will help elevate your authority and strengthen our cooperation.

"Please be assured of our sincere desire for fruitful and all-round interaction with the TRUD newspaper collective. Secretary of the FNPR Council V. Listikov."

The reader will on his own appraise the stylistic merits of the letter, the elements of bureaucratic-protocol ethics, and the clear between-the-lines smirk with a light touch of gloating. The author does not seem to notice that all of this is not only against the newspaper, but also—first and foremost—against its readers, who are forced, because of the wild increases in prices for paper and distribution and printing services, to pay increasingly more for subscriptions to their newspaper. When all these economic difficulties befell this most popular newspaper, the trade unions and their leaders immediately announced their inability to help it and its readers. This is regarding "government subsidies..."

Let us return, however, to the letter and its prior history. On 20 January TRUD published an item, "They Finally Sat Down at the Same Table," supplied by the FNPR press service. It reported that for the first time 60 Russian trade union and trade association leaders gathered together to set up a "team" to participate in the work of a trilateral commission on the regulation of social-labor relations. Further on, it described the criteria for forming the commission, the number of mandates, and their distribution between trade unions. The item ended this way: "Unfortunately, excesses could not

be avoided. Disagreeing with the criteria for forming the trade union side, the following walked out on the meeting..." (Next comes the list of trade unions and persons representing them at this meeting.)

Naturally, the editorial staff attempted to find out what reasons the leaders of some trade unions proffered as an explanation for their walkout from the meeting. On 22 January A. Kozlov's item, "It Is Time For Trade Unions To Come to an Agreement" appeared, in which the author simply quoted some lines from the joint statement issued by trade union leaders (the Independent Miners Union, Sotsprof, Russian Pilots Association, and others), who criticized, in particular, the FNPR position. That was all. So the FNPR's gripes are misplaced. Our correspondent simply recorded and reproduced one of the reasons for disagreements between trade union leaders. As to its sources (and the damage inflicted on each other), they will have to sort it out among themselves.

As to Mr. V. Listikov's ultimatum—within three days "voluntarily publish without any changes whatsoever the text of the attached refutation," we have to point out that this surprisingly peremptory demand is neither in substance nor in form in accord with that same law on the press our opponent refers to. In particular, the size of the text of the refutation cannot exceed 10-fold—as is the case here—the size of the item being refuted. Also, by law, a refutation, if it has at least some validity, is published within a month. After that you are free, of course, to turn to the courts, if you have grounds. This is your right. Except that your demand, we should say, is somewhat vague—10 million "for moral damages inflicted on the FNPR." We are curious, on the basis of what calculations (taking into account current inflation?) can one determine damage to the "moral image" of a respected organization—"out of court," at the author elegantly puts it. Does it mean there is room for bargaining here?..

Not even mentioning how improper it is to gloat over the "catastrophic financial situation" of the newspaper, which for many decades fed an army of trade union bureaucrats by transferring annually tens of millions of then "hard" rubles into the main trade union structure, receiving almost nothing in return. (This is again speaking about the "moral image.")

A few more words regarding "subsidies for our subsistence." For a trade union figure of such rank it is unforgivable to cast a shadow on the newspaper in this respect as well. You know perfectly well that subsidies to TRUD (as well as to many tens of other newspapers and magazines) are used only to cover continuously growing expenditures on newsprint and printing services—not, we want to emphasize, for the sustenance of the editorial collective. By the way, our newspaper has not received anything from the FNPR.

TRUD is not a trade union organ; it is a mass circulation sociopolitical publication, for which one of the important areas of coverage is trade union topics. Fortunately,

our readership is not limited to trade union leaders. Our audience is millions of workers, members of all social groups. Including numerous grass-roots trade union activists. And since TRUD still has the greatest circulation of all the daily newspapers (current one-time printing is more than 4.2 million copies), we, as before, will be guided in our editorial policy by the needs and opinions of our readers. As we have already said, they are our main judge and adviser.

By End of 1993 Refugees in Russian Federation Expected To Be Two Million

934F0174A Yekaterinburg URALSKIY RABOCHIY
in Russian 2 Dec 92 p 1

[Article by A. Bulychev; place and date not given: "Under Their Own Roof: 10 Million Migrants Will Become Russian Citizens by the End of the Century"]

[Text] Russia's Federal Migration Service (FMS) is counting on an increased budget in 1993. This is the conclusion you could come to after meeting with Tatyana Regent, who heads up this new state structure, which is at least a year late in coming and today is encountering complex problems.

Chief among them is the lack of laws on refugees and migrants. Passed by the Russian Supreme Council a few months ago on the first reading, they are still being worked on in parliamentary committees. For now, beginning the first of July, FMS will be guided by its own document, which will thus temporarily close the legislative gap. It is a forced measure, of course, but extremely necessary, inasmuch as by December 470,000 refugees and 800,000 forced migrants were already officially registered on the territory of the Russian Federation. The former include only those fleeing zones of military action. Recently 50,000 refugees from Northern Ossetia and Ingushetia have joined the human stream coming from Tajikistan, Azerbaijan, Pridnestrovyie, and Abkhazia.

There is scarcely any call to expect easier times in the future, since there are at least 25 million Russians and 4 million ethnic Russians in the near abroad. Native and foreign experts both feel that of this number "only" 10 million people will resettle in Russia by the end of the century. According to FMS forecasts, 2 million will do so in 1993. The scale of migration will stay at the same level in subsequent years, assuming, of course, the political situation in Ukraine, Belarus, and Kazakhstan, where a total of 19 million Russians reside, remains similar to the current situation. However, recent "manifestations of sovereignty" in Kazakhstan, in particular the passage of a law on language, are still raising concerns. If the Kazakhstan authorities do not find acceptable formulas for a nationalities policy, then there could be a massive exodus of Russians from that republic.

As for Belarus, the situation there is no cause for concern, but migration between Russia and Ukraine is still characterized by Ukrainians (10 million in all) emigrating primarily from the North and Siberia.

In any event, receiving and settling 2 million migrants a year will require significant funds. Where are they to be obtained? It is perfectly obvious that some of the expenses for resettling people should be borne by the countries of the near abroad. Their obligations on this score should be reinforced by special accords providing material compensation for emigrants. Lithuania, for one, is prepared to sign such a document.

The actual FMS budget is not large; this year it received 3 billion rubles [R] in all, of which R520 million have already been allocated for Southern Ossetia; the construction of 1150 apartments, as well as temporary reception points for migrants in Orenburg and Vyshniy Volochok, will cost R443 million. Fellow countrymen are also being received in Ryazan, Tver, Orel, Voronezh, Kaluga, Saratov, Pskov, Omsk—35 oblasts in all. Russia still has enough habitable places—small and medium-size towns, rural districts—where, given the proper support from the authorities, the arrivees can find an application for their powers and capacities and where the migrants' psychological adaptation will obviously be easier. Nonetheless, the issue of constructing new settlements has not been taken off the agenda.

The FMS understands that resolving all the problems connected with population migration will take not only significant budgetary allocations but also the uniting of everyone who is helping or wants to help their fellow countrymen. One can only welcome the participation of public and private organizations and funds in this long-term activity. This is why the FMS is including in its budget for next year expenses for the support of such structures but is simultaneously introducing licensing for their creation as well.

"It would be highly desirable," stressed Tatyana Regent, "for the Orthodox Church to join in the matter of assisting refugees and migrants. Thousands and thousands of people have been unsettled and forced against their will to begin a new life essentially. They need sympathy and spiritual support more than anything else. Here the church's possibilities are invaluable."

It is clear that the fates of hundreds of thousands, and tomorrow millions, of our fellow countrymen must not leave either the legislative or the executive authorities, the ministry officials involved in this human drama or our citizens, indifferent. If we have talked about the morality, the rebirth of the Fatherland often and at great length, then where if not here are these high concepts to take on genuine embodiment.

Refugees Pour Into Russia; Limited Resources for Assistance

934F0174B Moscow ROSSIYA in Russian 23 Dec 92 p 4

[Article by A. Ivanov; place and date not given: "The Address of Charity: 3 Varvarka, Moscow"]

[Text] A cold, poorly lit room on the third floor. An entrance on the corner of Varvarka and Khrustal'nyy Lane. A Russian flag. Einstein smiles down sarcastically from the wall.

There are two of them: Lena Mayorova, a graduate of what was once the MGPI [not further identified], and Andrey Medvedev, who graduated from the Arts Institute in Tashkent. They are the creators of the MMM Migration Service, which has been in existence since October.

It turns out, in these far from best of times, there are people in whom other people's grief evokes not only compassion but also a desire to help. Lena says, "I simply couldn't stand watching the reports from the zones of conflict, where thousands and thousands of our fellow countrymen have found themselves in a desperate situation." Andrey, who used to work at the Fellow Countrymen Fund, which operated within the framework of the Russian Federal Migration Service, became convinced that state structures are incapable of fully resolving refugees' problems.

Many private firms, though, have expressed no interest in Andrey's idea, among them Alisa and K. Borovoy's exchange. But the young people did find support among the directors of the MMM association, Sergey Mavrodiy and Andrey Baklanov, and were given money for their program. The Russian Social Democratic Party offered them the use of their data processing center.

In the first five days after MMM Migration's ad appeared on TV, approximately 700 people contacted the service, and since then both telephones, whose numbers were listed in the advertisement, cool off only at night. The 15 associates are working to their full capacity today.

The first requests from Russian enterprises are already in. In Yaroslavl they will take 100 people and their families for the construction of a meat combine, guaranteeing housing and subsequent employment. Little by little invitations are coming in from the countryside. Primarily for agronomists, machine operators, and construction workers. As of the beginning of December, the service had settled more than 400 families. It is harder with refugee intellectuals. They frequently have to agree to any kind of work, just to find a haven.

The refugee and enterprise requests come here, to 3 Varvarka (formerly Razin Street), where they process the information and search for optimal scenarios. Then they once again ask for confirmation from the employer and send out notifications to refugees. Those sent to new places of residence are issued the appropriate certificates.

All this work, naturally, costs money. Today MMM Migration takes 1,500 rubles [R] for its services, for which, by the way, it has been reproached. Lena explains: it was a measure they were forced to take. Out of this money a fund is being created for those who are completely impoverished and cannot even pay for the registration. The wrongful accusation hurts; after all, they still are not getting any pay at all and have no idea when or how much they are going to get paid.

MMM Migration Service is not limited to creating a data bank. As of 1 January it will be financing construction on four buildings in Tver for the most hapless refugees—pensioners left without a corner in their old age.

In the near future the service plans to be servicing 60,000 requests monthly.

"Given those kinds of rates," Andrey thinks, "there is enough work for 30. After all, look, people are simply fleeing from Tajikistan, where 350,000 Russians used to live. And what if there are another two or three Tajikistans? Of course, our possibilities are miserable. Unfortunately, the new commercial structures are still not manifesting any interest whatsoever in our activities. Clearly charity has yet to knock on the hearts of the rich. Along with the certificate, we would like to give the refugee a subsidy, if only to the most impoverished, but there's still no money."

They have figured it out at MMM Migration: settling today's refugees alone will cost R60 billion. Meanwhile the entire budget of the Federal Migration Service this year was only R3 billion.

"We realize MMM Migration cannot help everyone," I heard as I said goodbye to Lena and Andrey, "but we want to prove that we too can do something."

Firms, Organizations Created To Assist Refugees

934F0174C Moscow ROSSIYA in Russian
No 52, 23 Dec 92 p 4

[Article, under the rubric "Press Club"; date not given: "Their Name Is Legion: About 470,000 People with Refugee Status Are Living in Russia"]

[Text] Moscow (ITAR-TASS)—At the present time, there are about 470,000 refugees residing in the Russian Federation, announced Tatyana Regent, director of the Federal Migration Service [FMS], at a press conference. Refugee status, according to temporary procedure, is issued only to those persons who have left zones of military conflict. Besides refugees, according to Tatyana Regent, there are in Russia about 800,000 so-called forced migrants from the former republics of the USSR.

Speaking about growth forecasts for the number of refugees and migrants in Russia, the FMS director noted that it is hard to predict the dynamics of the numbers due to the complexity of the political processes occurring on the territory of the former Union. Nonetheless, Tatyana Regent thinks it is possible that by the end of next year the number of such individuals in the Russian Federation could reach 2 million.

Among the regions that have become the main sources of streams of refugees are Tajikistan, Pridnestrovye, and Abkhazia. In the two weeks after conflict broke out between Northern Osetia and Ingushetia alone, more than 50,000 people left the zone of armed confrontation.

The Federal Migration Service has been charged by a decision of the Russian Federation to carry out the state's "Migration" program. This year 3 billion rubles [R] were allocated within the framework of the program for the construction of housing and evacuation points, and for reimbursable interest-free loans.

According to Tatyana Regent, the FMS's work is seriously complicated by the lack of migration legislation. Bills on refugees and temporary migrants were passed by the Supreme Council at the first reading back in the summer of this year, but they have yet to receive the status of laws of the Russian Federation.

Machine Tool Industry Viewed, More Exports Urged

934F0157A Moscow ROSSIYSKIYE VESTI in Russian
24 Feb 93 p 3

[Article by Nikolay Aleksandrovich Panichev, president of the Russian "Rosstankoinstrument" Machine Tool Company: "To Sell Machine Tools, Not Raw Materials"]

[Text] The level of a nation's economic well-being can be fully judged by how machine tool building is developed in the country. After all, the need for machine tools arises only when production expands, new plants are built, and old ones are modernized. A decline in this sector serves as an alarm signal that industry is in a state of crisis.

The general economic recession in Russia has also seriously affected machine tool building. Although, to judge by last year's results, our situation is somewhat better than that of many other producers. Whereas the production slump in industry comprised 18 percent, in machine tool building, only 10 percent. For example, the price index in metallurgy rose 30-fold and in motor vehicle building, 22-fold, but in machine tool building, only 9.3-fold.

The situation with the number of really produced machine tools is much worse. From 1988 to 1991 this figure decreased by approximately 5 percent annually and in 1991 and 1992, by 9 percent annually. It will not take long to look for an explanation for this: The investment program in Russia, in fact, has been curtailed and most enterprises are unable to carry out reconstruction and to buy new equipment with their own resources. Therefore, there are fewer orders for machine tools.

Our machine tool building plants have found the way out of the situation in export. Now we have many enterprises, which are holding out exclusively owing to deliveries of equipment abroad. For example, the Ivanovo Machine Tool Building Plant stands its ground only owing to the sale of machine tools to China, Canada, and France. Voronezh and Lipetsk plants have also managed to keep afloat only through an increase in exports.

However, the question is: Where to sell machine tools and how to do this? There are many problems here. The

decline in production in the machine tool building sector is noted in most countries throughout the world: in Japan, up to 40 percent, in EEC countries, up to 20 percent, and in the United States, 12 to 18 percent. This is connected with the general industrial crisis, which, I think, will end no earlier than the middle of 1994. Naturally, it is becoming more and more difficult to sell machine tools to these countries. South-East Asia—China, Taiwan, and Hong Kong—is the only region not affected by the crisis. Conversely, production growth is noted in them and they are interested in purchases of new equipment. Therefore, we try to count on these countries.

Last year Russia sold machine tools and the sector's other products worth approximately 60 million dollars. This represents about 4 percent of their production. For a country, which is among the first five producers of machine tools, this figure is far from impressive. Incidentally, this also applies to products of other industrial sectors. For example, in 1992 the proportion of machine building products in Russia's exports comprised 9 percent. But the share of machinery and equipment in imports comprised almost 40 percent. That is, we buy several times more machines, machine tools, and other equipment than we sell. Can such a situation be considered normal?

It seems to me that our country suffers from "import fever." Very often, instead of ordering equipment at a domestic plant, enterprise managers prefer to go on a business trip abroad and to buy all the necessary equipment there. Yet often our products are inferior to Western or Japanese products only in their appearance, not in their quality.

Such imports undermine domestic machine tool building. Therefore, in my opinion, we now need to increase customs tariffs on some types of foreign equipment. As far as I know, as yet no one intends to introduce them. Conversely, the import of machine tools to Russia is encouraged indirectly. Credit lines, on which Russia tries to reach an agreement with Italy, Germany, and some other countries, are a graphic example. If we look at the use of these credits, it will turn out that 70 to 80 percent of the expenditures go for machine building products. I am not afraid to say that much of what is purchased abroad can be produced without special efforts in the country, especially as 40 percent of our machine tool plants are now without work.

We also buy more machine tools than we sell, because we do not have a state program for support for exporters. Now many people want to begin a foreign trade activity and to sell domestic goods abroad, including machine tools. However, they have neither knowledge, experience, starting capital, or connections. It is necessary to help them: to develop a system of preferential credits and to establish a system of information on foreign firms and their activity.

The lag behind the system of international standards is another obstacle on the path of [the sale of] our machine

tools abroad. Europe is going toward having uniform documents on the standardization of products. If our machine tools do not correspond to all these norms, the European market will be closed to them. The State Committee for Standards tries to rectify the situation, but it does not have the money for this. The plants themselves are also unable to finance such operations. But Western requirements on technical equipment are raised constantly. One has only to lag slightly and it is no longer possible to catch up on what one has missed. The foreign economic activity of our machine builders will be given up as hopeless.

To avoid this, the federal goal-oriented program "State Protection for Machine Tool Builders" was developed. It is already being coordinated in government bodies and I hope that it will be adopted in the very near future. The program should also put an end to the confusion with prices, which is now going on in Russia. Meanwhile, an obvious lack of coordination in prices reigns in our foreign trade. Our partners actively take advantage of this. For example, Chinese entrepreneurs have literally filled the Russian market. They beat down prices very skillfully and often buy machine tools much below their initial value. After all, at times plants are in a desperate situation and are ready to sell their products to anyone and at any price. At the same time, however, the price policy on a state scale is destroyed.

Moreover, many second-hand dealers have appeared recently. They take machine tools from plants at openly dumping prices and resell them abroad. On the whole, our machine tools on the world market are approximately 20 percent cheaper than similar Western models. Only under this condition do they have a chance to withstand the fiercest competition and to find their buyer. Unfortunately, very little single-design equipment, which has no analogs in the world and is sold at the highest prices, is produced in Russia.

The "Stankoimport" Foreign Trade Association is the largest domestic exporter of machine tools. It has its departments in approximately 75 countries throughout the world. In addition, there is a network of joint enterprises on Russia's territory. We already have 25 joint ventures producing machine tools and other equipment. Joint ventures with machine tool building firms abroad are being established. For example, the Ryazan Plant together with one American company established a firm, which received the name Ryazan-America. Recently, the management of the Lipetsk Plant has signed an agreement on the establishment of another firm in the United States, which will engage in the production of grinders. Similar enterprises will soon be opened in India and Turkey.

Meanwhile, there is demand for our machine tools. In order to increase their competitiveness, it is necessary to improve their quality. First of all, this applies to design and electric equipment. It is also necessary to stimulate

the export of these products on a state level. After all, a country cannot be considered economically developed as long as it sells only raw materials and manpower, not machines and machine tools.

Large Coal Deposits Discovered in Yakutia

934F0157B Moscow ROSSIYSKAYA GAZETA
in Russian 24 Feb 93 p 1

[Article: "Wealth to Wealth"]

[Text] The discovery of a coal deposit, the explored reserves of which are equal to three Neryungri deposits, was announced in Yakutia.

Coal beds 1.3 to 19 meters thick were hidden in wells drilled in Yakutia's Gonam coal-bearing region. In the opinion of specialists, the determination of the area distribution of coal deposits is the basic task of South Yakutia's geologists in 1993. The Gonam coal region is located between Neryungri and Elginsk deposits at a distance of 100 km from the Amur-Yakutsk Mainline.

Supsov Property Official Criticizes Privatization Plan

934F0157C Moscow ROSSIYSKAYA GAZETA
in Russian 24 Feb 93 p 3

[Article by Pavel Subbotin, head of a sector of the Committee on Problems of Economic Reform and Property of Russia's Supreme Soviet: "To Increase or To Divide?"]

[Text] The disastrous economic "blitzkrieg" and the illusions about billions of dollars of Western help have shown convincingly that we are just entering the economy of the transition period.

It is not yet fully clear how property should be transformed in this process. It is obvious that any decision on privatization should be made and every subsequent step should be taken on the basis of a careful analysis of what has already been done and of forecast evaluations for the future. The exactly three and a half pages on this topic submitted by the State Committee on the Management of State Property to the parliament point to this ministry's complete lack of objective information on privatization matters (or, perhaps, to its unwillingness to have it).

The "formation of a wide stratum of private owners" is declared as the program goals in 1993. One method has been chosen: forced voucher privatization. Vouchers have been issued. The basic result—nothing, except for an inflationary blow. As was to be expected, people began to pay for vodka, footwear, and clothing with vouchers...

The ideologists of voucherization are inventing in a rush a system of financial institutions, investment and special voucher funds, and depositories, intending to lock them into a single information system, again, in the shortest time. The person who has had occasion to establish an "office" of any kind knows perfectly well how much time

is required for this in order to obtain any results. With regard to the information system, especially in such a matter as the circulation of securities, it seems that the attempt to reequip the banking system has not been taken into account at all. As a result, there are billions of forged documents and nonpayments, which have paralyzed the economy.

The conclusion of "small-scale privatization"—this is how the next goal was determined. It seems that it is the only realistic one. Other goals are nothing but good wishes. For example, voucher privatization has no connection with the proclaimed "increase in the efficiency of enterprise activity" and with the "creation of a competitive environment and demonopolization of the national economy." There is another [goal], about which not a word is said, but toward which Goskomimushchestvo [State Committee for the Management of State Property] is advancing with fantastic stubbornness: usurpation of many functions, which by law belonged to the Federal Property Fund.

As it should be, targets have been determined, allegedly, on the basis of the fact that the "structure and volume of effective demand for privatized property in terms of regions and sectors are known (monetary demand makes up approximately one-eighth of the aggregate demand and voucher demand, five-eighths)". A discussion of these calculations with specialists has shown, first, that no one knows on what these targets are based and, second, by what scientific method they could have been obtained at all. The research of the authors of the Privatization-93 Program remains a "thing in itself."

The first discussions in committees and commissions have shown that the parliament will hardly agree to become once again the hostage of hasty and rash decisions imposed under the cover of slogans about the people's interests.

What can be the way out? First, a change of the goals of privatization is needed. The distorted structure of today's economy oriented toward a build-up of the military potential is its basic disease. Conversion will require capital investments of many billions and an active price and antimonopoly policy. Under these conditions for every enterprise it is important to find not an owner in general, but an effective owner.

Unfortunately, the idea that privatization is a transition to private ownership of property has been created in public opinion. In fact, a real sale of property, or rather its selloff, is a very rare case; for example, bankrupt enterprises (and even this not always). In a usual situation capital or its part—a share—is bought and sold. Restructuring can begin only with transfers of capital to where it will function most efficiently. In the market economy such transfers are made through a complex system of circulation of securities, that is, through the sale and resale of shares at the price determined on the basis of their rate.

Another problem, which is difficult to solve, remains: how to determine the price of enterprises (charter funds of joint-stock companies). The presently used method of evaluating fixed capital in the prices of July 1992 is of no use at all. It distorts the price structure of the "kingdom of distorting mirrors" even more. An assessment of the value of an enterprise according to the balance sheet, but with a mandatory correction for the derived profit, can be used as an absolute necessity. Such a method is possible only for small and medium-size enterprises going to direct investment auctions. However, guaranteed investment opportunities (confirmed by an independent auditor or a bank) and the buyer's obligation to increase the charter capital, for example, by one-third should be the condition of the auctions.

With regard to so-called privileges granted during privatization, instead of this the participation of enterprise personnel in the derivation of profit should be determined legislatively. This would make it possible to give a stable source to funds for conversion into joint-stock companies for enterprise workers, with which they would buy "their own" or "someone else's" shares.

Well, and what should be done with the issued vouchers? A way out will have to be sought even to the detriment of economic sense. It cannot be allowed that rash experiments should completely undermine citizens' trust in reforms. Perhaps the issued vouchers should be considered an allowance for all citizens in the country, which as of 1 March could be put in a savings bank account with interest taking inflation into consideration, for example, for a period of no less than 3 years. Then it could be used for the purchase of shares, or after 5 years, for any purposes. If subsequently additions are made to personal privatization accounts and deposits, they should be made only for workers in the budget sphere and others who have no access to the distribution of enterprise profit.

The delimitation of property according to levels—federal property, the property of subjects of the Federative Treaty, and municipal property—remains no less complicated a problem. Disagreements are intensifying every day and it is impossible to assume when this division will end. Meanwhile, the interests of territorial authorities can be observed through equal taxes on an enterprise under any form of ownership. Common budget interests during the privatization of enterprises can be realized similarly. However, in the process of privatization administrative functions should be transferred to localities and the elaboration of general methodology and control should be reserved to the federal committee.

The transition to such a form of management will require a moratorium on the Supreme Soviet decree on the delimitation of property and on corresponding articles of the Federative Treaty. A preliminary discussion with some leaders of republics within Russia has shown their similar preoccupation with this problem and readiness to discuss it.

Buryatia Licenses Private Gold Prospectors

934F0157D Moscow NEZAVISIMAYA GAZETA
in Russian 18 Feb 93 p 4

[Article: "Buryatia Is the Owner of Gold Mines"]

[Text] INFO-TASS. The controlling block of stock of Buryatia's gold mines remains under the authority of the sovereign state. This is provided by the conversion of the former Buryatoloto State Enterprise into a joint-stock company. Industrially developed currency metal will remain the republic's property and deposits of placer gold are to be transferred through licensing to gold prospecting artels, organizations, and private individuals.

Buryatia's government expects to annually replenish its own republic gold reserve with the assistance of the Buryatoloto Joint-Stock Company at the expense of the above-quota deduction (5 percent).

Kaliningrad Rail Route to Europe Viewed

934E0171A Moscow GUDOK in Russian 12 Jan 93 p 1

[Article by A. Streltsov: "Route to Europe"]

[Text] After the secession of the Baltic republics from the USSR the shortest route to Europe runs through Kaliningrad. Are the oblast's railroad workers ready for such a turn of events?

We traveled with K. Averyanov, chief of the Kaliningrad Railroad, from Moscow in a car of the comfortable Yantar train and felt ourselves the troubles of passengers traveling from Russia to Russia through the territory of two neighboring states—Belarus and Lithuania: passport and customs control, compartments clogged with goods of second-hand speculator dealers, and night "distributions" by the owners of these goods, primarily citizens of sovereign Lithuania. Conductors literally groan, demanding that all trains be accompanied by militia warrants, otherwise it is difficult to guarantee passengers' safety.

In K. Averyanov's opinion, a special intergovernment agreement among neighboring states on the organization of transit shipments to Kaliningrad Oblast should help to solve these problems. Otherwise, the oblast may find itself in a transport blockade. This agreement should also take into account the prospects for the development of international relations in the free economic zone being formed in Kaliningrad.

The international Kaliningrad-Berlin route will become the first sign of the expanding cooperation with the West. Reconstruction will soon begin in the huge pre-war building of the Kaliningrad-Yuzhnyy Railroad Station. Direct trains from Germany will begin to arrive here as early as this year. Now the European track from the Mamonovo Station bordering on Poland reaches the suburbs of the oblast center. It remains to lay another several kilometers and the international line will be

ready. Foreign guests will also be added to the 12 million passengers annually passing through Kaliningrad's railroad stations.

One glance at the oblast stations jammed with rolling stock is sufficient to realize that freight shipments have revived noticeably. The railroad is becoming the most important center for the processing of export-import freight. The reconstruction of the Sovetsk Junction Station will help to cope with the growing flow. The Chernyakhovsk Shunting Station is being expanded. We have come to an agreement with seamen to jointly finance the increase in routes at the station near the port and in it. Thereby, the biggest bottleneck in the transport chain "is being undone." Unfortunately, now this chain is often broken. At the railroad at the end of December 1,500 cars—in excess of any normatives—idled daily, waiting to be unloaded. The reason is that, dispatchers, sending railroad cars with export products to Kaliningrad, often do not think whether there are ships in ports for their freight. The Bratsk Pulp Combine is among the "record breakers." A total of 220 railroad cars with its products for Great Britain have been standing idle at the railroad since July, waiting for a ship. However, the railroad receives compensation in the form of a fine of only 150 rubles per car in 24 hours. But the goods are valued at hundreds of thousands of dollars. Here it is believed that freight owners should be fined in proportion to the value of products, or that the sale of lost freight, even if it is for export, to railroad workers should be permitted.

Railroad workers also need help in the allocation of funds for the reconstruction of lines and for the purchase of modern rolling stock. After all, the former division of the Baltic Railroad, which used to be supplied according to the residual principle, today has almost the most technically backward facility in Russia's railroad network. Suffice it to say that here most stations have a manual and signal control system even on the main run.

The railroad counts on the help of local authorities and the center. After all, it is impossible to establish an economic zone without reliable utility systems. Kaliningrad's railroad workers are aware of their role in the construction of the new bridge between Russia and Europe. The transport conveyor of Russia's most western oblast is picking up speed.

Train 'Attacked' by UFO

934E0171B Moscow GUDOK in Russian 20 Jan 93 p 4

[Article by I. Dolgoplova, editor of the BAM newspaper, Tynda: "UFO Attacks a Train"]

[Text] At the Ikabyekan-Mururin stage of the Baykal-Amur Railroad at night a freight train weighing 4,600 tonnes began its climb to the pass. The brigade of operator Anatoliy Kozlov conducted the main diesel locomotive, and the helper locomotive with Anatoliy Ivakhin's brigade was at the rear. Suddenly, two big luminous balls hung over the train approximately at a height of 20 meters.

Gradually, they assumed a form resembling a pail and then the train began to stop by itself. At the same time, all the instruments operated. They showed the usual load of the traction regime and the permissible voltage in generators.

After eight minutes the unidentified object soared upwards and immediately the train started moving. However, it traveled only about 500 meters. The UFO descended and again hung over the train. This time it "held it up" for 12 minutes. Then it rose again to the sky and after 800 meters repeated the maneuver and "observed" the freight train for an entire 24 minutes.

During the contact with the UFO both locomotive brigades, according to their own words, felt an unprecedented enthusiasm, a surge of energy, and lightness. Following its disappearance Anatoliy Kozlov suddenly got an acute headache and his assistant felt a pain in his shoulder and right elbow joint. After some time the unpleasant sensations passed.

The train arrived at the Khani Station safely, but almost one and one-half hours late. As P. Adenov, deputy chief for traffic security of the locomotive depot at the Nara Station, reports, all four participants in the unusual event feel normal now.

No one knows what this was. Did the UFO really become interested in BAM [Baykal-Amur Mainline], or was this some mass hypnosis? People on duty at the sidings of Ikabyekan and Mururin observed the UFO at the same time.

Coordinating Rail Transport, Dividing Inventory

Comments by Rail Minister

934E0178A Moscow GUDOK in Russian 26 Jan 93 p 1

[Comments by G.M. Fadeyev: "Maintain Unified Work Technology"; from a speech by the chairman of the Council for Railroad Transport of the States Participating in the Commonwealth and minister of Railways of the Russian Federation]

[Text] The Council for Railroad Transport of the States Participating in the Commonwealth, which is made up of the directors of the railroad administrations, was established by an Agreement of the Heads of Government of the Commonwealth States on 14 February 1992 to coordinate the work of railroad transport at the interstate level and work out coordinated principles for its activity. One of the main tasks was determined to be the problem of dividing up the fleets of freight cars and containers among all the states.

The Council for Railroad Transport worked out a special method, based on the principle of ensuring the transport required in all the states participating in the Commonwealth. The result of the work done is a draft of the interstate Agreement on Dividing Up the Inventoried Fleets of Freight Cars and Containers of the Former

USSR MPS [Ministry of Railways] Among the States Participating in the Commonwealth of Independent States, the Azerbaijan Republic, the Republic of Georgia, the Latvian Republic, the Lithuanian Republic and the Estonian Republic, and their further joint use, which was submitted for the consideration of the Heads of Government.

At the meeting of the Council of Heads of Government, held in Moscow on 13 November 1992, the decision was made to agree on dividing up the fleet of railcars and containers for the Commonwealth member-states. As for the assignment of the fleet of freight cars and containers for states not included in the Commonwealth, the ministries of Foreign Affairs of the states participating in the Commonwealth, in conjunction with the Council for Railroad Transport, and the concerned ministries and departments, were commissioned to carry out these negotiations and report their results at the meeting of the Council of Heads of Government.

In accordance with this commission, these negotiations were held in Minsk on 21 December 1992. Those participating in them agreed that the dividing up of the inventoried fleets of freight cars and containers of the former USSR MPS must be discussed independently of other problems concerning the entire transport property of the former USSR, since freight cars and containers had been pooled and were in joint use and constant movement among all the states, ensuring the continuity of the transport process throughout the territory of the former USSR.

As for other means of transport (ships, airplanes and locomotives), they were permanently registered to a strictly defined territory of the states. The right to ownership of them is regulated by the Agreement on Mutual Recognition of the Rights and Regulation of Property Relations, concluded by the Commonwealth states on 9 October 1992 (in Bishkek).

The legally unregulated problem of the transport property of the former Union therefore remains the dividing up of the fleets of freight cars and containers. The method of dividing up the freight cars and containers was jointly worked out and agreed upon by all the railroad administrations of the states, both those included in the Commonwealth and those not included in it, and was adopted at the Council for Railroad Transport. The resolutions passed on dividing up the fleet of freight cars and containers will make it possible to accelerate the restoration of their operability and improvement.

At present, the entire fleet, 95 percent of which should belong to the states participating in the Commonwealth, continues to be jointly operated, without proper updating, modernization and repair.

A delay in solving this problem will have serious negative consequences for ensuring transport.

Considering what has been set forth and the fact that the participants in the negotiations on 21 December 1992 unanimously approved the draft of the Agreement, the Council for Railroad Transport asks for the adoption of the resolution on dividing up the inventoried fleets of freight cars and containers of the former USSR MPS among all the states which were former republics of the USSR.

Agreement Outlined

934E0178B Moscow GUDOK in Russian 26 Jan 93 p 1

[Agreement]

[Text] On dividing up the inventoried fleets of freight cars and containers of the former USSR MPS [Ministry of Railways] among the states participating in the Commonwealth, the Azerbaijan Republic, the Republic of Georgia, the Latvian Republic, the Lithuanian Republic and the Estonian Republic, and on their further joint use

The states participating in this Agreement,

confirming the need to regulate the rights of ownership as the basis for dividing up the inventoried fleet of freight cars,

on the basis of the need to ensure the proper technical condition of the freight cars and containers,

maintaining a unified technology for railroad transport operation,

have agreed on the following:

Article 1

To carry out division, by numbers, of the ownership of the fleet of all-purpose and specialized freight cars among the states by quantity, in accordance with the proposal submitted by the railroad administrations of the states participating in this Agreement.

To commission the railroad administrations of the states participating in this Agreement to coordinate the dividing up of the fleets of refrigerator, technical service and highly specialized cars, transporters and containers.

Article 2

Freight cars transferred after 1 March 1992 to the ownership of enterprises, or excluded from the inventoried fleet of the railroads after 1 September 1992, with division by numbers, are included as the property of the states which carried out their transfer and exclusion, with the corresponding reduction in the identical cars being allotted to them.

Article 3

Freight is transported by rail on the basis of joint use of freight cars and containers, which are the property of the states participating in this Agreement, with the user

bearing material responsibility for maintaining the cars and clearing accounts for their use.

Article 4

To carry out prompt replenishment, modernization and repair of freight cars and containers and to create the conditions necessary for the production and mutual supply of railcars and containers for all the states participating in this Agreement.

Article 5

To commission the Council for Railroad Transport of the states participating in this Agreement to coordinate work on joint use of freight cars and containers.

Article 6

To commission the governments of the states participating in this Agreement and their railroad administrations to prepare and sign the necessary documents and normative acts on carrying out this Agreement.

Article 7

If one of the states wishes to discontinue participation in this Agreement, it informs the other participants in the Agreement and its depositary of this. This official statement goes into force six months after the depositary has been informed.

This Agreement goes in force from the date of its signing.

Completed in the city of Minsk on 22 January 1993 in one original in the Russian language. The original is stored in the Archives of the Government of the Republic of Belarus, which sends a certified copy of it to the states which have signed this agreement.

Protocol signed by the main administrations of the governments of the Republic of Armenia, the Republic of Belarus, the Republic of Kazakhstan, the Republic of Kyrgyzstan, the Republic of Moldova, the Russian Federation, the Republic of Tajikistan, Turkmenistan, the Republic of Uzbekistan and Ukraine.

Protocol Signed

934E0178C Moscow GUDOK in Russian 26 Jan 93 p 1

[Protocol Resolution]

[Text] On dividing up the inventoried fleets of freight cars and containers of the former USSR MPS [Ministry of Railways] among the states participating in the Commonwealth, the Azerbaijan Republic, the Republic of Georgia, the Latvian Republic, the Lithuanian Republic and the Estonian Republic, and on their further joint use.

The Council of Heads of Government of the Commonwealth of Independent States, having examined the draft of the Agreement on Dividing Up the Inventoried Fleets of Freight Cars and Containers of the Former USSR

MPS among the states participating in the Commonwealth, the Azerbaijan Republic, the Republic of Georgia, the Latvian Republic, the Lithuanian Republic and the Estonian Republic, and on their further joint use, and having discussed the results of the negotiations of the railroad transport administrations, concerned ministries and departments on this question, resolved:

1. To approve the draft of the Agreement as a whole and submit it for consideration of the Council of Heads of Government of the Commonwealth.

2. To commission the Council for Railroad Transport of the States Participating in the Commonwealth and the Railroad Transport Administrations of the States Participating in the Commonwealth, together with the railroad transport administrations of the Azerbaijan Republic, the Republic of Georgia, the Latvian Republic, the Lithuanian Republic and the Estonian Republic, to carry out the dividing up of the inventoried fleets of freight cars and containers of the former USSR MPS in the first quarter of 1993.

3. To carry out the dividing up of civilian maritime ships of the former USSR by special agreement among the states participating in the Commonwealth, the Azerbaijan Republic, the Republic of Georgia, the Latvian Republic, the Lithuanian Republic and the Estonian Republic.

Completed in the city of Minsk on 22 January 1993 in one original in the Russian language. The original is stored in the Government Archives of the Republic of Belarus, which will send a certified copy of it to the states that signed this resolution.

The Protocol was signed by the heads of government of the Republic of Armenia, the Republic of Belarus, the Republic of Kazakhstan, the Republic of Kyrgyzstan, the Republic of Moldova, the Russian Federation, the Republic of Tajikistan, Turkmenistan, the Republic of Uzbekistan and Ukraine.

Computer System To Inventory, Track Rail Fleet

934E0179A Moscow GUDOK in Russian 27 Jan 93 p 2

[Interview with Granit Savvich Ivannikov, chief of the Main Computer Center of the MPS [Ministry of Railways], by I. Kokoulin, GUDOK correspondent: "How Do You Divide Up a 'Pie'?"]

[Text] At first glance, the problem is vacuous, and the answer is simple: cut it into segments and serve to those seated at the table. Since they are guests, the ethical rule is in force here: "Never look a gift horse in the mouth." And there are no problems. How, though, do you cut up a living, once unified railroad transport system? In this case, it is not guests who are seated at the table, but the owners—the representatives of the sovereign states. They look at their neighbors with a certain amount of distrust and try to get a bigger piece of the pie.

Dividing up transport is a thankless job. The fact remains, though—the USSR has broken up into parts, with all the ensuing consequences. The railroad industry has to adapt to the conditions that have been created. We talk about this with Granit Savvich Ivannikov, deputy of the Main Computer Center of the MPS [Ministry of Railways].

[Ivannikov] At first, everything was simple. We made an analysis for the last five years and established what sort of car fleet, on the average, was maintained in each of the sovereign republics. Having determined the number of cars of each type, we said: that many belong to Russia, this many to Ukraine, etc.

[Kokoulin] Were there complications in doing this?

[Ivannikov] There were. We discovered that there are many ownerless railcars traveling the network, and it is not clear to whom they belong.

This happened because of the obsolete, and even poorly organized stock-taking. Look, let us say railcar repair. It should be done at a railcar repair plant, although the car is registered to a certain railroad. What sometimes happens, though? The rolling stock travels the entire network. When the repair period approaches, it may prove to be far from its native road. Two variants arise here. Either it is not repaired and "shunted off" to the neighboring road as "a stranger," or it is repaired, which is not prohibited. Let us take the latter case as an example. Let us say, the railcar was repaired at Roslavl, of the Smolensk Division and it is registered to the Far Eastern Railroad, where the documents on it, in which the appropriate notation must be made, are stored. Why take the trouble to carry out this operation, though? Usually this is not done and a car is dispatched which falls among the strays.

[Kokoulin] There is no doubt that each state is interested in creating the best conditions for itself. The Moscow workers complain that Ukraine is grabbing the rolling stock that is in good condition for itself, and is operating it on internal lines, but is pushing the ones that are "worthless to us" outside its boundaries....

[Ivannikov] Strict account must be kept. At the Main Computer Center, we have a complete bank of data on CIS rolling stock. It contains information on 1.5 million railcars. It remains only to track the movement of each of them. This is a complicated task, however—in both the operations and the financial respect. Each junction between the states must have a stock-taking point, through which the schedule of the trains being transferred would pass. Consequently, this point must be equipped with a computer (so-called "personal computer"). According to preliminary calculations, there will be 109 of them, for which the Russian MPS will have to pay about 100 million rubles [R].

[Kokoulin] When all the equipment is installed, you will be able to tell, at any moment, what railroad the car is on and where it is going?

[Ivannikov] Of course. Very strict control will have to be set up for this, though. Absolutely every junction point must be equipped with ASU [automated control systems] devices. After all, if uncoupled cars pass through it, and then everything gets mixed up, the work of the computer system is meaningless.

[Kokoulin] What does the system provide, in addition to stock-taking?

[Ivannikov] In the first place, it serves as a basis for the financial clearing accounts of Russia and neighboring boundary states. In the second place, it will play an organizational, or more precisely, a disciplinary role. After all, we will know not only the number of railcars, but also the make-up plan, that is the route by which they are to travel.

[Kokoulin] How?

[Ivannikov] Every freight train has a schedule, indicating the dispatch and destination stations for any car, and it has its own number. Let us suppose that a train has arrived at a junction station. The schedule is quickly transmitted through the road computer center or directly to us. Our computer verifies the train document in a matter of minutes and establishes that one car, for some reason or other, should not go through this station. The command goes there to uncouple the "interloper" and turn it back—in order for it to travel according to the make-up plan from then on. Whoever broke the rule should bear material responsibility.

[Kokoulin] When will the system begin operation?

[Ivannikov] They have already given us R20 million. We used them to buy the necessary equipment. We are waiting for additional funds to arrive, and then we will begin to install the computers with the appropriate software at the junction points.

Everything that we have been talking about relates only to Russia. This is not enough, though. These stock-taking points must be at the junction stations between all the sovereign states with neighboring boundaries, except for the Baltic states. Only then will the system, as they say, close the circuit and operate. Another 85 computers are needed for this.

New Railway Operational Regulations Examined

934E0179B Moscow GUDOK in Russian 30 Jan 93 p 2

[Interview with Yuriy Mikhaylovich Gerasimov, deputy chief of the PTE Commission, deputy minister—chief of the Transport Safety and Ecology Main Administration, by L. Ryzhova and A. Krylova, GUDOK correspondents: "The Basic Railroad Transport Law: What Will It Be Like?"]

[Text] GUDOK has already reported that the new Rules for Technical Operation (PTE) and Instructions for Signals on the Railroads of the Russian Federation are being drawn up. The brunt of this work was shouldered by the

standing commission. The drafts of the documents have finally been prepared, however, and distributed to the railroads for discussion. We talk about them with Yuriy Mikhaylovich Gerasimov, deputy chief of the PTE Commission, deputy minister—chief of the Transport Safety and Ecology Main Administration.

[GUDOK] The existing rules for technical operation clearly regulate all railroad transport work, and the experience of many generations is concentrated in them. Yuriy Mikhaylovich, what made it necessary to create new PTE?

[Gerasimov] The existing ones really are our basic standard document, which established the norms for maintaining structures and devices. They were approved on 2 January 1986. Life does not stand still, though, and amendments were constantly being introduced into the work. I have already said more than once that the presently existing Rules and Instructions were calculated for the railroads of the former USSR, but we, like it or not, are already living in a new state, and all the documents should take that into consideration.

The amendments and corrections introduced during the last few years, and there are quite a few of them, were incorporated in the draft. There are 36 points in the PTE and six points in the Instructions for Signals.

[GUDOK] Aren't the new PTE, though, really just a simple replacement of signboards?

[Gerasimov] Certainly not! We have done a tremendous amount of work and have tried to make them conform to today's requirements, and to make them contentual, and at the same time simple and clear in presentation. For example, the railroads today want to have maximum independence in technical operation and where this is necessary, this possibility has been granted them.

The editorial commission included representatives of sectorial main administrations and railroads and members of the professional sections of the Central Committee of the Locomotive Workers' Trade Union, and the best railroad transport specialists took an active part in it. For two years, scientists of the VNIIZHT [All-Union Railroad Transport Scientific Research Institute] analyzed each paragraph in the Rules and prepared their proposals for the draft.

About 500 proposals on amendments to individual regulations of the PTE and about 300 on the Instructions came in to us. Quite a few came from rank-and-file railroad workers and engineers at the engineers' schools.

[GUDOK] The opinion that individual regulations of the PTE are "written in blood," and that they have really absorbed the experience of tens of generations of railroad workers is well known. Does all this really need major revision?

[Gerasimov] As a rule, no. We reviewed all the points and formulations very critically, trying to find more

clear-cut definitions. Individual points really did require more refining, but in general we arrived at the opinion that the existing variant was the most precise and the best. Nevertheless, we proposed making amendments and refinements in 137 points of the PTE and in 25 points of the Instructions. In addition, these documents will be supplemented by new points: four in the PTE, five points and seven drawings in the Instructions on Signals.

For example, in point 1.1 it is proposed to enter: "The basic duty of railroad transport workers is to satisfy the need for passenger and freight transport, with unconditional guarantee of traffic safety and the safeguarding of the freight transported, efficient use of technical devices and adherence to environmental protection." Formerly, in this clause it was a question of fulfilling a plan, and the PTE said nothing at all about protecting the environment.

An addition has been made to point 1.7 on the fact that "a person beginning work involving train traffic should undergo vocational training." That is, it is a question of selecting the most competent people even during the process of acceptance for work.

Point 2.2 more precisely defines the fact that structures and devices should meet the requirements which ensure the throughput of trains at the highest established speeds: passenger—up to 140 km an hour, refrigerator—up to 120 and freight—up to 90 km an hour.

It is proposed that substantial changes be entered in Chapter 6, "Structures and Devices for Signals, Communications and Computer Technology." For example, requirements have been introduced in the draft to the effect that automatic locomotive signaling should be used on sections with semi-automatic blocking, and that main tracks of stations and approach sections should be equipped with them.

Because of the need to use the wrong track for train traffic on double-track sections with automatic blocking along the right track, a proposal made by the Signals, Communications and Computer Technology Administration of the Giprottranssignsvyaz Institute, on introducing signals and communications—train traffic according to the signals of locomotive light-signals—as a permanent device, has been approved. The requirements for automatic locomotive signaling used as an independent communication device have been indicated here.

New points have appeared in the draft with respect to requirements for the devices to mechanize and automate the classifying humps and computer-information systems of railroad transport. In addition, it has been stated that "sections with heavy train traffic, as well as with centralized traffic control, should be equipped with train duplex radio communication."

The commission repeatedly returned to the point dealing with the requirements for maintaining wheelpairs (10.3). The problem of a sharp scab arising on the wheelpairs is not a simple one. There were many debates on this

subject. All the same, though, it was decided not to take the course of lowering the traffic safety requirements, and the point was left in the former wording.

Considerations in strengthening transport safety have also been expressed in the addendum to Point 15.40 regarding the operative schedule for testing electro-pneumatic brakes, which is set forth in the instruction on brakes.

Point 16.6 deals with passenger trains being accepted on tracks equipped with raiiside automatic locomotive signaling devices. Refinements and additions were also introduced in other points of Chapter 16, "Train Traffic," and in the chapter on "Terms."

With the amendments to the PTE, the regulations of the Instructions on signals and shunting work are, naturally, more precisely defined. For example, according to the new PTE requirements, the Instructions indicate the need to introduce signals at exit light-signals on sections equipped with automatic locomotive signaling as an independent signal and communication device, and with departure along the wrong track, according to the signals of locomotive light-signals, with the addition of a moon-white light.

The requirements for permanent signal signs, "Gas" and "Oil," "Begin Braking" and "End Braking," and also the indicator "Boundaries of the Block-Sections," have been expanded.

[GUDOK] How soon will the new rules appear on the roads?

[Gerasimov] After detailed discussion, the draft will be submitted to the MPS Collegium. Upon approval, we will turn it over to the publisher. The rest, as they say, is a matter of technology.

Ural Tank Plant Produces Special Railcar Assortment *934E0181A Moscow GUDOK in Russian 29 Jan 93 p 2*

[Interview with Vladimir Savelyevich Vernik, chief engineer of Railcar Assembly Production of Uralvagonzavod, by A. Tashbulatov, GUDOK correspondent: "Tank Cars Through Conversion"; Nizhniy Tagil-Yekaterinburg, date not given]

[Text] On the eve of 1993, a new tank car (item No 145) for the transport of petroleum products passed the inter-departmental tests at Uralvagonzavod. The Ural workers, who produce the famous T-72 tanks, succeeded, in the course of production conversion, in proving that they know how to produce not only modern military equipment but also how to manufacture products for peacetime which correspond to the best world models. In addition to the unique tank car, they plan to produce railcars to transport motor vehicles, fertilizers, grain, cotton and precious metals.

Our correspondent interviews Vladimir Savelyevich Vernik, chief engineer of Railcar Assembly Production at Uralvagonzavod.

[Tashbulatov] Six months ago you said that you had only begun to design the new tank car, and here it is, ready. What "urged you on"?

[Vernik] After the collapse of the former USSR, a serious situation arose in Russia with respect to the transport of petroleum products. The only monopolist-plant—in Mariupol, producing tank capacities for the transport of mazut, oil, gasoline—proved to be on the border and began to demand payment for its products in cash. The directors of the Russian Ministry of Railways therefore set us a task—develop the production of tank cars, mainly for gasoline, in a short time. The stepped-up work resulted in the creation of a tank car which has better technical characteristics than the Mariupol one. In particular, the freight capacity of its bogies is larger, and this means that the volume of the freight transported is also greater (by 10 cubic meters). In addition, the structure provides for the tank car having the potential of going onto European tracks.

Two design departments—for railcar construction and for cryogenic machine building—designed the tank car. The specialists are experienced and have already developed a similar product.

At the present time, the plant has quickly turned production around for the output of a thousand tank cars a year. In the first quarter, we plan to manufacture 200-250 tank capacities. We have all the conditions for this—we quickly released the facilities of the sites being converted, we are ordering the special equipment and we have begun to design an entire equipment complex.

The Russian Government has met us half-way, by allotting a preferential loan. We plan to work at the new sites and with new equipment by the third quarter. For the time being, production is taking place at the old sites, where tank cars for cryogenic products are manufactured. Economic support is needed, of course, to restructure the plant. Just the one shop where we will make the tanks ourselves requires an investment of 2.5 billion rubles [R] The Russian Ministry of Railways, taking into consideration the experience of our plant and its scientific and design potential, permitted the tank cars to be produced without waiting for the completion of the tests, which were to take place at the same time.

It is still too early to speak about the price for the tank car. Inflation introduces its correctives every day, and the prices for metal and energy carriers have been released even more. According to the latest data, a tank car from the Mariupol Plant will cost approximately R4.2 million. Ours will be less expensive.

[Tashbulatov] Is the plant having any difficulty getting completing items and materials?

[Vernik] If there were money—everything could be bought in Russia itself. For example, we have not yet developed the production of drum ends for the tank barrels—unique dies and presses are needed for this. We have contracted with Uralkhimmashzavod, but we are thinking about setting up this production ourselves in time. There are greater problems with supplies of safety valves and discharge devices. The Mariupol workers have refused us: they apparently thought that we would bow down, and dictated their conditions, but after all, we have our pride, and have a sufficiently high degree of professionalism. Now we have decided to organize production of these units quickly at our own plant. We do not want to depend on the political market conditions or on national ambitions. We can do just as good work as the others. Series production, of course, is very complicated and difficulties are inevitable, but I hope that we will cope with them.

[Tashbulatov] Will Uralvagonzavod be privatized?

[Vernik] Our position is this—the large complex that comprises our enterprise is not to be split up or dispersed. This will make it possible, in a short time, to concentrate all the engineering, design and production structures on the development and output of the new tank car.

Last year we developed the production of single-cube excavators and unique small fork-lift trucks. Now, in addition to tank cars, we are planning to manufacture railcars to transport Raf machines (an order from Baltic machine builders), and, on an order from the former Ministry of Fertilizers (now the Minagrokhim Joint-Stock Company)—railcars to transport fertilizers. These cars (with a removable cover) will also be suitable to transport precious metals (copper, nickel), as well as cotton and grain. In addition, with the existing criminogenic situation on the mainlines, these cars will help to safeguard the freight.

We are making intensified preparation for output on the international market: we are working on an order from French motor vehicle firms. We are designing railcars to transport motor vehicles, and have concluded a contract with China—the structure of their railcars differs from ours. Wheelpairs, axles will be manufactured for export....

Uralvagonzavod, as they said in the old days, is one of the official State plants. Our policy is this: not a single worker will be sent outside the plant's gates. In 1993 we plan not only to halt the production recession, but also to increase production by 19 percent.

Naturally, for normal work and life, there must be a stable situation in Russia. This is the main thing. Order should be brought into the banking system, so that everyone who has earned it will receive his own, fully and on time. Today, however, all kinds of "businessmen," to put it simply, swindlers—put the money that we have earned into circulation and do not promptly buy metal or equipment. Judge for yourselves: payment from Moscow takes a month, or

more, but we obtain currency from New York in three days! Meanwhile, the Russian MPS [Ministry of Railways] owes the plant R2.5 billion....

If things go peacefully in Russia, and if a system of accounts is set up, we will achieve the rest ourselves—we will design, we will manufacture and we will sell our peacetime products.

REGIONAL AFFAIRS

Aushev on Ingushetia Presidential Bid

934K0384A Moscow ARGUMENTY I FAKTY
in Russian No 8, Feb 93 p 3

[Interview with Major General Ruslan Aushev, candidate for president of Ingushetia, by ARGUMENTY I FAKTY correspondent R. Morozov, place and date not given: "Ruslan Aushev: 'It Is My Luck To End Up in Hot Spots'"]

[Text] Major General Ruslan Aushev is an Afghanistan war veteran, Hero of the Soviet Union, and chairman of the Military Internationalists Committee. On 10 November 1992 he was appointed head of the Provisional Administration of the Republic of Ingushetia. On 19 December 1992 he resigned. Currently he is the only candidate for the post of president of Ingushetia...

Our correspondent R. Morozov carried out this interview.

[Morozov] Ruslan Sultanovich, what prompted you to seek nomination to this post?

[Aushev] Let us start with the fact that I did not seek nomination. Having resigned from the post of head of the Ingush Provisional Administration, I returned to Moscow. A week later a whole delegation came to me from Ingushetia, bringing more than 100,000 signatures of support. I was told: "Ruslan, the people support you, they are against your resignation." I explained once again the reasons for my resignation, and said that in the existing situation and with the miserly powers I was given I refuse to head the republic.

Soon afterwards a congress of the Ingush people took place, at which it was decided that it is necessary to hold general presidential elections. One candidate was nominated—me. The congress did not permit an alternative. The elections will take place on 28 February.

[Morozov] It appears that in a very near future you will become president of what is currently one of most "troubled" republics. And the main problem is the absence of a state as such. Will you be able to carry all the burden that will fall on your presidential shoulders?

[Aushev] You know, if the republic was not troubled, it is unlikely that the people would have called on me. As "luck" would have it, I usually end up in some "hop spot..."

There is no question that military confrontation has to be removed as quickly as possible. How? Through dialogue. By sitting down at the negotiating table, reaching an agreement with the government of Ossetia, with the Ossetian people themselves. I do not think we will have to fight.

We need to create a republic—practically from scratch. It is all right if in the beginning everything is extremely primitive. We will develop and improve it later.

Most importantly, I have to show the people that I will protect their interests. Not the republic—this is nonsense, but each individual citizen. So that, regardless of his nationality, he has food and a place to sleep; so that he will not get killed or robbed; so that his children can go to school or kindergarten—in short, so that he has everything a regular person should have. I will not spend even five minutes talking to those who will try to put obstacles in my way in doing this. Every person appointed by me will have responsibility for his own area in a certain direction, and I will personally check on what has been done in that area.

I would like to see people of different nationalities at key positions in the republic. It will be Ingush, and Russians, and Chechens... I generally believe that to create a state based on ethnicity is madness. We cannot survive without one another. Especially considering that the Russian-speaking population alone accounts for about 20 percent of all Ingushetia's population.

[Morozov] What is your relationship with your "neighbor"—the president of Chechnya?

[Aushev] Absolutely normal. We have known each other for a long time, we periodically meet, talk... Why should I shun him? Besides, whether the Russian leadership likes Dudayev or not, he is a president, and one cannot dismiss this. The Russian Government must work with him in order to remove the difficulties that arise in the relationship between Russia and Chechnya.

[Morozov] Unlike Dudayev, however, you do not favor seceding from Russia?

[Aushev] No. Ingushetia will remain a part of Russia. We have held a referendum and said that we "vote with our hands and feet" to stay with Russia. The people hope that Russia will help us somehow... What happens, however, is that we move towards Russia, and it punishes us for that. Also, it is time for the Russian leadership to finally understand that there are no "major" or "minor" peoples; there are people... And they want the same thing—to live.

Chelyabinsk Soviet Head Resigns To Avoid Participation in Economic Ruin

934F0112A Moscow DELOVOY URAL in Russian
4 Jan 93 p 2

[Report: "The Chairman of the Chelyabinsk Soviet Has Submitted His Resignation"]

[Text] Petr Sumin, chairman of the Chelyabinsk Oblast Soviet of People's Deputies, has announced his resignation

on a live news broadcast carried on Chelyabinsk Television's Channel 8. The circumstances preceding this event were reported on at the Soviet's press center. It was explained that the resignation was caused by the results of a vote taken by the Small Soviet of the Oblast Soviet (which occurred in 24 December) with regard to electing an administrative head for this oblast. Only 5 of the Small Soviet's 17 members came out "for" holding such an election, 9 voted "against," and 3 abstained. Right after this vote Soviet Chairman Sumin declared that he was resigning because he did not wish to participate in the oblast's further economic ruin. Sumin expressed regret that the Small Soviet had not taken advantage of the historic chance provided for it by the Seventh Congress (the appointment of an administrative head is to be carried out in coordination with the Soviet) in order to correct this situation.

According to a number of appraisals, Sumin's resignation is an issue which is still far from being resolved. Sumin himself has announced that he is going to bring this matter up at the next session of the Oblast Soviet, which is scheduled for 20 January.

Nowadays resignation has ceased to be a symbol of this or that figure's political demise; in fact, such a move quite frequently turns into a means for continuing a career under new and more favorable conditions. Holding an election for a local administrative head (it was specifically Sumin who was the initiator of the appropriate decision at Russia's Seventh Congress of People's Deputies) under the present-day conditions would have the following, unambiguous results: Vadim Solovyev, the present governor and a former "party comrade," would not have any chance of retaining power. But nowadays resignation is also a safe move—one which holds no danger of loss. If it somehow goes through, Sumin will proceed to the gubernatorial election with the halo of a martyr for the people's happiness and a symbol of being fed up with the stagnant times, while Solovyev will have to answer for the quite gloomy state of this region's economy, the social crisis, and the quite clearly stated penchant for the policy of the government and the president. And if his resignation is not accepted, the chairman's "opposition" and his disinclination to answer for the situation in this oblast will be delineated with sufficient clarity and precision for the voters. In any case, the chances of the Oblast Soviet's chairman are considered to be quite good.

Bashkortostan Intelligence Service Active

934F0112B Moscow LESNAYA GAZETA in Russian
21 Jan 93 p 1

[Untitled Report]

[Text] Bashkortostan's own intelligence service is now active; this was reported by Vladimir Naumov, the republic's minister of security at a press conference. The new unit is under a double subordination—to Bashkortostan's Ministry of Security and to Russia's Directorate of Foreign Intelligence.

Stavropol Discusses Creation of 'Single Ethnic Regions'

934F0121A Moscow *FEDERATSIYA* in Russian
 No 12, 2 Feb 93 p 1

[Report: "Stavropol"]

[Text] STAVROPOL. National regions, settlements and rural communities may be formed in Stavropol [Kray] in localities which are the traditional and historical dwelling-places of small nations or regions densely populated with national minorities: such is the gist of a draft state regional charter which has been submitted to the citizens of the kray for examination.

One can get an impression of the multinational composition of Stavropol from the local geographic names. Turkmen have lived in Turkmenskiy Rayon from time immemorial; Nogays live on the Nogay steppes; and Estonians dwell in Andropovskiy Rayon. Living together in the kray with Russians are thousands of Armenians, Ukrainians, descendants of the Cossacks, Chechens, Ingush, Osetians, Avars, Darginians, Kumyks and Lezghins.

The draft charter proposes that if, in accordance with the free will of any small nation or representatives of national minorities, any new national regions, settlements or villages appear in the kray, they shall be invested with all administrative and territorial rights authorized by the Russian Constitution—with their own soviets of people's deputies and organs of administrative power.

Khabarovsk To Aid Ethnic Groups

934F0121B Moscow *FEDERATSIYA* in Russian
 No 12, 2 Feb 93 p 1

[Report: "Khabarovsk"]

[Text] KHABAROVSK. A committee for the International Year of Indigenous Peoples declared by the UN General Assembly has been established in Khabarovskiy Kray. Members include representatives of local authorities; health-care, educational and cultural organs; and social organizations.

A number of actions have been planned for the kray, which is the dwelling place of Nanays, Ulchis, Udegeys, Nivkhis and other small nations. Their goal is to attract attention to the multitude of severe problems of the indigenous population. Many national villages are on the verge of extinction, and the process of regenerating traditional national trades is proceeding slowly. The committee plans to provide effective support and assistance to the aboriginals.

Sakha: 'No Intention of Seceding' From RF

934F0121C Moscow *FEDERATSIYA* in Russian
 No 12, 2 Feb 93 p 2

[Article by Dmitriy Kisilev: "The Hinterlands Are Far Off, but They Are Not Foreign"]

[Text] YAKUTSK. Of late the mass information media have quite often frightened their audience with the likelihood of the breakup of Russia, and the seperation of former autonomous regions from her... I do not know about the others, but as Sakha Republic (Yakutiya) Supreme Soviet Chairman Kliment Ivanov declared at the Russian Federation Constitutional Commission session, "We have not the slightest intention of withdrawing from Russia. We want only one thing, that the Russian Federation becomes truly democratic and respects the rights of its peoples."

The ability to manage one's own property, to assume responsibility for the well-being of one's own people, and to resolve problems in concert with Russia while remaining its subject is, one would think, one of the basic rights.

Of course, at the present time economic relations between the center and the outlying districts are undergoing significant changes, for completely objective reasons. However, one cannot consider normal the situation which has existed until recent times, under which a republic which possesses truly unique wealth has been unable to manage it herself! Figuratively speaking, she has been fed from the Union budget with a tiny spoon, and seldom fed that which would meet even her minimal needs...

The Federative Treaty, the Economic Agreement and a number of other documents signed recently have permitted her to not only take charge of her natural resources, but also to resolve questions of the social defense of the populace herself, and to determine where to direct assets and in what amounts.

It is precisely because of this, that the economic crisis which has emerged on the territory of the former Union, and has reached the very banks of the Lena, has been softened to a considerable extent in Yakutiya. For example, last year the republic government managed to hold back the increase in the purchase price for agricultural products, and as a result they were lower in the state trade system than in other oblasts of Siberia and the Far East. Thus, the cost of a liter of milk amounted to R10 until January, and a loaf of white bread the same. In 1993 it is planned to regulate the price of bread, milk, baby food, and the purchase price for meat and livestock. Twenty-two billion rubles have been allocated for these purposes, 7 billion of which will be distributed to people in the form of direct support. Those people whose average per-capita income is lower than the minimum wage will receive direct support—and there are more than 120,000 such people, in a republic with a population of just over a million. In addition, large sums have

been stipulated for maintaining the social sphere, for education, health-care and culture. Taken together, this amounts to about one-third of the local budget.

The other day, the budget was formulated for the first time as a sovereign republic, which now must rely on its own strength alone. The total amount of expenditures proposed is over R250 billion. The consolidated budget deficit is over 25 percent. That means, according to leading specialists, this year the populace will have to "tighten its belt."

Thus, Yakutiya's first solo voyage by no means signifies a significant rise in the people's standard of living. Nevertheless, the emerging freedom of action and those efforts which its leaders propose in order to keep the less-well-off, the ailing and the elderly afloat, inspires the hope that we will manage to survive this winter too, more or less successfully...

The republic is currently receiving criticism for unwillingness to pay taxes. Is that correct? I asked First Deputy Minister of Finance and Economics Vladimir Ptitsyn to explain the situation. In his opinion, the matter boils down to the fact that after the distribution of property, quite a few sites and structures were left which belong to the Russian Federation, and which are under joint jurisdiction. The sums necessary for financing them are exacted from the taxes gathered here, of which 34 kinds are currently assessed. In the past these monies had been sent to Moscow, and then were sent back. But the agreement signed last September established a new procedure, whereby they would go directly to financing of the Russian structures, and the "surpluses" would then be transferred to the federal budget, and properly so. Common sense says this is better than chasing the money hither and yon. Especially if one considers the time the post office takes, in its present manner of operation, to transfer the necessary documents.

The new procedure was in operation until the beginning of this year. At the present time a similar agreement is being prepared for 1993 between the Government of Yakutiya and the Russian Ministry of Finance.

In a conversation with correspondent "F," Deputy Chairman of the Government Aleksandr Matveyev stated on this regard, "I think it is necessary to stress that the Republic of Sakha (Yakutiya) has no designs on the division of the budget in any way, nor on the breakup of the Federation. The logic of the actions of the republic government is directed first of all at consolidating efforts for stabilizing the economic situation in Russia. The efforts of the President and the Supreme Soviet of Yakutiya in the political decisions being reached serves this same goal. The first steps in this direction are already taken. Now they must be supported with concrete actions, permitting more effective use of the existing potential of our northern region."

Tyumen Residents Protest 'Unfair' Distribution of GAZPROM Shares

934E0097A Moscow IZVESTIYA in Russian 10 Feb 93 p 2

[Article by IZVESTIYA correspondent Yuriy Perepletkin in Tyumen: "Tyumen Residents Find Presidential Directive on Gasprom Shares Unjust"]

[Text] The directive signed by President B. Yeltsin on 26 January with regard to the Council of Directors of Gazprom, the Natural Gas Industry of the Yamalo-Nenetskiy Autonomous Okrug, and the distribution of stock shares among citizens of the Russian Federation has from the outset stirred dissatisfaction among residents of Tyumen Oblast.

What is wrong with that? According to the presidential directive, only residents of the AO were entitled to acquire Gazprom shares. Undoubtedly, they do possess this right. But really they only?

Subunits of the Siberian Modular Unit Assembly Plant are based in Tyumen. These are the collectives that manufactured virtually all the component parts of the gas industry, including the compressor stations, the boilers, and public service as well as residential housing units. Rivermen, navigating the ice in tandem, brought these bulky and cumbersome loads to Yamal at great risk to themselves. Other transport workers, performing miracles of ingenuity, managed to haul these loads in sections along artificially contrived roadways of ice to the assembly sites. And what would the gas workers ultimately have achieved without the pilots, the doctors, the teachers, the researchers and designers, the farmers and stock-raisers in the agricultural areas of the oblast?

Alas, the great majority of those who took part in building the foundation and future prosperity of the stock company of today found themselves, it would seem, cast aside. The directive contains not so much as a single mention of Tyumen Oblast as such.

The document signed by the president places the oblast deputies in a difficult position. In session they discussed the issue "regarding the participation of the oblast in the privatization of the enterprises in the petroleum and natural gas complex." Representatives of both okrugs and the southern rayons introduced proposals and debated them in an effort to be fair to the interests of everyone, but in vain as it turned out. In the list of those entitled to income from Tyumen gas—leaving out for the moment the administrative heads of Yamalo-Nenetskiy Okrug—may be found a long series of names of top officials in the capital city.

The Oblast Soviet is going to try to have the decision made regarding this thorny problem reviewed. But arguments about it cannot and will not be brought to a conclusion. Metal workers and machine builders from

many regions of the CIS, as well as pedagogical institutes, for example, where the teachers of Tyumen were trained, may assert their rights to a ownership shares in the gas industry.

Economic Hardships Spark Exodus From Far East

934E0097B Moscow IZVESTIYA in Russian 10 Feb 93 p 2

[Article by IZVESTIYA correspondent Boris Reznik: "Hostages of the North"]

[Text] A few days ago the Far-East Association for Economic Coordination made public a sad piece of news. The population outflow from the Russian North-East last year totaled 120,000. Prior to 1984, there was a positive balance of migration, and local enterprises were consistently supplied with an average of 60,000-70,000 new workers each year to supplement the labor pool.

In those days people were not overly intimidated by the remoteness of the area, the severity of the climate, or the lack of social amenities. They came to the Far East to earn "good money," and the money, including bonuses, hardship allowances, and many extras, served to insure the strength of the work force.

Today, however, the cost of a single plane ticket (one way) from Magadan to Moscow can consume entirely the average wage of a Northerner along with all the allowances put together. Only the people who live here are clearly aware of the markup on every product brought here—how much a liter of gasoline or a kilowatt of electrical power costs in the North, not to mention a quarter of a meter of housing.

Generally, it is the youngest, the healthiest, and the most qualified that are pulling up stakes and quitting the Far-East. This is the established pattern, and from day to day the trend is increasing. In Magadan Oblast, for example, during the past year 5 populated areas have ceased to exist and 14 settlements are about to be disbanded; about 3,000 of their inhabitants are trying to get to the West after receiving more than two million rubles in compensation.

This exodus is involuntary. Viktor Mikhaylov, head of the Magadan Oblast administration, summed up the reasons forcing the northerners to depart this way: Low-profit industries, which do not fall within the system of state and oblast subsidy support, are being forced to close down. The planned economy spawned so many unnecessary but high-paying work positions that now, under market conditions, there is necessarily a sharp cutback.

But it would be well to redistribute the fork force within the oblast or within the Far East as a whole; for the people are going away for good, leaving behind entire ghost towns.

For example, the Kolyma settlement of Adygalakh has been passed administratively from hand to hand many

times in recent years. It was founded as a support settlement for gold-mining operations. But the gold miners left it, and in order to support the residents that were left, a motor vehicle repair unit was placed in Adygalakh. But the social situation for miles around so deteriorated that they could barely make good their escape. The Energetik Sovkhoz also failed to make ends meet, as did the new manager of the Fakel Cooperative. In October last year, when the cold weather began to set in, the people were quick to be on their way. The electric power was turned off, and the boiler left unrepaired. Only three of the most stubborn residents continue to live on in the dead settlement, hoping that some rich entrepreneur will be found to revive it.

There are more and more such settlements in the Far North. And how many towns and cities are gradually being emptied! In Magadan alone there are 15,000 people who are waiting their turn for containers, despite the mind-boggling cost of such transportation services. For example, from Omsukchan to the port of Vanino a container costs 70,000 rubles. The rates change twice a month, and are still accelerating. Many are selling out or simply giving their things away on the spot and rushing off to warmer areas.

The question arises: Does the Russian economy need the Far East? Judging by the number of decrees by the RF Supreme Soviet, government directives, and presidential edicts issued in recent years, it certainly is needed! Beginning with the all-embracing "On Urgent Measures To Stabilize State Support for the Economies of the Far East, Buryatia, and Chita Oblast," up to and including the local resolution "On Measures To Safeguard Deliveries of Goods to the Extreme North and Comparable Areas." These and many such resolutions have been suffused with paternal solicitude for the Northerners and the Far-Easterners, and full of concern for promoting the economy of the region.

But the sad fact is that although these documents have all contained fine and earnest sentiments, no substantive consequences have been forthcoming. Since their leadership fails to take the form of action, they serve no one's interests, save that of their authors perhaps.

Northerners do not have to learn how to overcome difficulties. "If we could make a home for ourselves there," they are convinced, "we can find a home for ourselves in the West." It is a sad fact that the professional unions, whose care and concern made the lives of the people in the Far East easier, are no less concerned with helping them now to extricate themselves. Recently, the chairman of the Magadan Professional Association executive committee, Z. Yenganov, wrote a letter to Russian Prime Minister V. Chernomyrdin, in which he stated that the introduction of unrestricted air transport rates had turned the inhabitants of Magadan Oblast and Kolyma directly in "hostages of the Far

North: for their pay and allowances do not permit the great majority of them to fly out..."

In attempting to resolve this problem, our administrative officials should finally give some serious thought to these questions: Who is to remain in the Far East? Who is going to catch the fish? Procure the timber? Find the gold? That is, all the things without which Russia cannot live.

INTERNATIONAL AFFAIRS

China's New Role as Russian Partner, Future Ties Examined

934Q0022A Moscow FEDERATSIYA in Russian
No 7, 21 Jan 93 p 6

[Article by Vladimir Myasnikov, corresponding member of the Russian Academy of Sciences and deputy director of the Far East Institute: "A New Partner for a New Russia"]

[Text] China's swift rise is one of the challenges of the ages for Russia. At the same time, Vladimir Myasnikov, corresponding member of the Russian Academy of Sciences and deputy director of the Far East Institute, thinks that Russia enjoys an historical opportunity.

In a political respect, East Asia is one of the most stable regions in the world today. It is also appearing among world leaders in the area of economic development. The mutual relations of the great powers—Russia, China, Japan, and the United States of America—are determining to a great extent the region's fate. The last months of the past year were noted for high diplomatic activity in the northeastern part of the ATR [Asian Pacific Region]. Diplomatic relations were established between China and the Republic of Korea at the end of August. President No Tae-U and Akihito, the emperor of Japan, have already visited Beijing. B. N. Yeltsin, Russia's president, went to China after a visit to Seoul. China is successfully emerging in the role of organizer of a region-wide political and economic integration process. It is insuring for itself a high place in world politics through this.

Russia is fully considering this new role of China. During a meeting with Quian Quichen, the PRC minister of foreign affairs, in Moscow on 25 November, President B. N. Yeltsin pointed out that Russia regards China as a great power and that mutual relations with the PRC are a priority for Russia's foreign policy not only in Asia but in the world arena in general.

During recent decades, China's confrontation with the Soviet Union made its imprint on China's foreign policy. Now, the main strategic goals, which China posed during that period, have been achieved. What were they?

Reducing, if not eliminating, the Soviet military and political presence in the region. Sorting out relations

with the United States, Japan and other highly developed states. Occupying a leading position among the developing countries and restoring its authority in the zones of traditional Chinese domination in Indochina, on the Korean peninsula and in Mongolia. The uniting of Taiwan, Hong Kong and Aomen with the PRC. The implementation of plans regarding the so-called "irredentists" in the vast regions of neighboring countries, which have been declared lost Chinese lands.

China had realized the majority of its plans even before the end of the "cold war" and the Soviet Union's disintegration.

The Soviet Union had sharply reduced its military and political presence in East and Central Asia. Moreover, the Soviet Union itself, the very "superpower" against whose "hegemonism" China had fought, ceased to exist. The successor of the USSR—Russia—is not a superpower. China is making adjustments in its foreign policy and it is a fact that, having declared continuity in its obligations in accordance with treaties and agreements, Russia has, at the same time, changed the essential characteristics of its foreign policy conduct: It has repudiated the policy of internationalism and is trying to follow a pragmatic course aimed at realizing national interests. Russian and Chinese foreign policy have come together doctrinally.

The Soviet Union's break-up has resulted in the formation of a number of sovereign states on China's borders, with each of which it is necessary to build new relations. In this respect, China is following a policy that excludes its participation in any political bloc or grouping of powers. Nevertheless, a real opportunity has appeared for China to fill the vacuum in political domination, which was created in connection with the USSR's downfall, in the vast arc from the South China to the Caspian seas and from the Pamirs to the Korean peninsula.

The situation, which still exists in the largest country of a socialist alternative in the world arena, is having a noticeable impact on China's foreign policy course. The experience of the USSR's break-up faces China with a dilemma in determining its priorities in the security area: the system or the state.

The Chinese foreign policy motto—"peace and development"—assumes a situation of stability in the country and in the region as a whole. In this regard, a policy of openness, i.e., China's active economic, scientific and technical cooperation with the external world, should play the main role, as follows from the latest directions of Deng Xiaoping and decisions of the 14th Congress of the Chinese Communist Party. This course is designed for the next century. The implementation of this policy should wash away the accusations of totalitarianism that have been hurled against the regime existing in the country, raise the level of economic convergence with the world's advanced states, maintain the integrity of state territory, and solve such national tasks as the return of Hong Kong and Taiwan to China.

When describing the new situation and the PRC's role in it, it is possible to note that China cannot permit itself "anything superfluous" in its foreign policy (for example, to "teach" someone a "lesson" of the Vietnam type) or use power methods in its border policy. Japan is now China's main rival in the region, occupying—in this sense—the place that had belonged to the Soviet Union.

The new Russia and the new China should jointly construct a procedure for international relations that is responsive to their national interests. The "cold war," which divided humanity into two opposing camps for such a long time, has ended. The damage, which it inflicted, is being calculated and the cost of the reconciliation, which has ensued, is being determined. The process of reuniting divided nations is being completed; parallel with this, a powerful disintegration process, which is exploding in a portion of the multinational states, is developing. The number of crisis and conflict situations has not decreased; only their geographic coordinates and political causes have changed. From an historical viewpoint, the realities of today are called the formation of a new world civilization, a transitional period from a bipolar structure in international relations to a new system whose parameters and characteristics are still only being worked out. The look of the new world will depend on the trend that prevails in the development of world history: Will mankind travel the path of structural and value integration or will its salvation come through the strengthening of national and confessional ideals?

The status of Russia and China as great world nuclear powers and permanent members of the UN Security Council faces them with the task of determining their attitude toward the possible models of the new structure of international relations that are taking shape today.

Based on China's combined might, it has moved into sixth place in the world today. In this regard, it occupies eighth place based on gross national product, having achieved first place for gross agricultural product. The successes in economics and foreign policy are contributing to an increase in national self-awareness.

Economic cooperation between Russia and China forms the basis for their bilateral relations. In sustaining the principle of de-ideologizing intergovernmental relations and striving to see to it that their relations do not damage the interests of third countries, the two great Far Eastern neighbors are prepared to raise their contacts in all areas to a qualitatively new level. When determining the prospects for our relations, however, one must consider the fact that China is already outdistancing Russia today in a whole number of important economic indicators. With the general slump in the world's economy, China is providing stable GNP growth rates. During the Eighties, they equaled nine percent and are almost 12 percent in the Nineties. The main task during the Nineties is the doubling of the country's GNP and the raising of the people's consumption to a level of sufficiency and prosperity. China's arrival at fifth place in the world based on

its composite might is planned for 2010. All this dictates an urgent search for a new model of economic ties between Russia and China, in which not raw material resources and consumer products but scientific and technical developments, high technology and machine-building products would play the main role.

The parliaments of the two states have ratified the Agreement on the Russian-Chinese Border, whose length is 4,385 kilometers. The parties have still to agree on individual island sections on the Amur and Argun. With good will and sensible compromises, this is completely achievable. The agreement, which was worked out in Beijing at the end of November and the beginning of December 1992, regarding the withdrawal of armed forces, where possible, to 100 kilometers from the border permits creating a practically demilitarized zone having an area of 877,000 square kilometers in the ATR. This equals the combined territory of Great Britain, the FRG, Romania, and the Netherlands. This is Russia's and China's joint contribution to strengthening peace and security in the region.

Finnish Consulate-General Office Opens in Murmansk

934Q0022B Moscow NEZAVISIMAYA GAZETA
in Russian 6 Feb 93 p 2

[Unattributed article: "Murmansk"]

[Text] Murmansk—A ceremony opening the Murmansk branch of Finland's Consulate-General's Office took place here yesterday. An official delegation from Suomi headed by Paavo Vayrynen, the country's minister of foreign affairs, came to the polar region's largest city for the occasion.

This is the second diplomatic delegation of a Western state on the Kola Peninsula. A Norwegian consulate was opened a month ago in Murmansk; the Swedes intend to cooperate with local authorities at the same level.

Germany's 'Ruhrgas' To Devise Energy Conservation Program

934E0172C Moscow IZVESTIYA in Russian 24 Feb 93 p 2

[Report by Nikolay Gritchin, IZVESTIYA: "'Ruhrgas' Will Help To Save Fuel"]

[Text] "Ruhrgas," a major German company, intends to implement fuel-saving measures in a number of Russian cities. The first agreement on practical implementation of the project has been signed with the "Rosstroygazifikatsia" Concern and "Stavropolkraygas" Association.

German specialists visited kray center enterprises and came to the conclusion that about 30 percent of gas there is wasted. "Ruhrgas" will supply energy-saving equipment to industrial facilities and heat-supply enterprises; conduct a restructuring of gas pipelines passing through

kray territory; and supply household meters to the individual sector, which overuses gas by 400 million cubic meters annually. The company undertakes to train in Germany young gas specialists from Stavropol. Payment for the equipment delivered and work done will be supported by the fuel saved.

Germany To Help Resettle Volga Germans

934E0147A Moscow NEZAVISIMAYA GAZETA
in Russian 17 Feb 93 p 4

[Article by Aleksandr Polotskiy, RIAN correspondent in Germany: "FRG Is Ready To Help Russian Germans. But Russia Must Also Do the Same for Its Citizens"]

[Text]

Germany

In an, as they say, narrow circle of correspondents at the very end of a really interesting and emotional press conference in Berlin by Horst Waffenschmidt, FRG government officer for migrant affairs, parliamentary state secretary at the federal ministry of internal affairs, Russian TV correspondent Vyacheslav Mostovoy asked what was perhaps one of the most important questions: "What reciprocal steps, in your opinion, should the Russian leadership take in the current situation?"

The answer was clearcut and concise. Necessary were: 1. Tangible progress in the establishment of a Volga German republic. 2. A general positive move in the direction envisioned in President Yeltsin's decrees. 3. Accelerated financing of programs affecting Russian Germans by the Russian side. "I understand all your difficulties," Waffenschmidt added, "but it is absolutely essential that funds be provided, to the extent possible, by both sides. I already said this to both Yeltsin and Nazarbayev. After all, they are your citizens, your taxpayers. People should see progress."

From the very beginning of the meeting Horst Waffenschmidt had made it clear that he attached great significance to it, and it was no accident that it was being held in Berlin. Through his lips the FRG once again reaffirmed that it was ready to accept ethnic Germans from Hungary, Rumania, the Czech Republic, Slovakia, and the CIS, that it would also continue to provide them all possible assistance in their current places of residence, and that it would conduct its policy with regard to the newcomers in close contact with them and their authorized representatives.

Germany is prepared to receive 225,000 new German settlers on its territory a year. And even though it is currently experiencing growing socio-economic difficulties, it will offer the newcomers 6-month language courses and provide allowances over a period of 15 months for them to set themselves up in their new places of residence. At the same time, the FRG will continue, together with the governments of the respective countries, to provide material and financial assistance to

those of the German-speaking population who opt to stay where they are. Moreover, this assistance should improve the life not only of Germans, but of everyone living in those areas. Such an approach, Waffenschmidt felt, would promote stronger German ties with other countries and contribute to the building of a united Europe.

But Horst Waffenschmidt appealed for special attention and special help to be given to the Russian Federation. In his view, what was happening there now, or will happen in the coming months, was extremely important for both Russia itself, for Germany, to whom it is the largest eastern neighbor, and for Europe as a whole. "It is a question of our common future," the FRG government representative said. "That is why it is from Berlin, which 50 years ago issued orders that led to the millions of victims of Stalingrad, that I want to call upon everyone in Germany to help Russia. Germans have a special responsibility to help Russia in the difficult situation of transition from communist dictatorship to democracy, from a command system in the economy to a market economy." He noted that money alone could not always solve everything and that the development of partnership ties was important—between cities, universities, public organizations, churches. The FRG has accumulated such experience in Western Europe over many years and, in Waffenschmidt's view, it played a positive role in the current process of European unification.

Incidentally, Waffenschmidt expressed the hope, based on meetings and talks with G. Grout (Renaissance Alliance), G. Vormsbekher (Interstate Alliance of Russian Germans), and G. Martens (German Culture Union), that at the congress of Russian Germans to be held in Moscow at the end of February the movement would overcome its split and be able to work more effectively for the benefit of the entire two million German population of the CIS and Russia.

In particular, Horst Waffenschmidt named three main regions where the FRG would take part in implementing major programs together with the governments of Russia and Ukraine: Western Siberia (the German national rayons Asovo in Omsk Oblast and Khalbshtadt in the Altay), the Volga region, as traditional areas of settlement of Russian Germans, and southern Ukraine, where President Kravchuk has promised to receive 400,000 people in the Odessa region and create all necessary conditions for them. Waffenschmidt also gave a number—more than 100 million marks, which Germany was allocating for compatriots in the CIS. In this connection he stressed the fundamental importance of restoring the German autonomy which had been destroyed by Stalin in the Russian Federation. At the same time he expressed concern for the fate of Russian Germans in Kazakhstan because of manifestations of local nationalism, stating that Germans were frequently leaving there not because of bad material conditions, but because they were afraid of being denied the possibility of studying their native language in schools, of using it in government offices.

Commentary on Need for Relations With Moderate Arab States

934Q0021A Moscow KOMSOMOLSKAYA PRAVDA
in Russian 4 Feb 93 p 3

[Article by KOMSOMOLSKAYA PRAVDA correspondent A. Shumilin in Cairo: "Tell Me Who Your Friend Is in the Middle East: The Interests of Russia Require Its Presence in the Area of the Persian Gulf"]

[Text] Countries that were off-limits to Russians as recently as two and three years ago such as the Arab countries of the Persian Gulf, Israel, and a bit earlier Egypt, today are the ones most visited by our compatriots, including official delegations and private entrepreneurs alike. They come here to visit the "sacred land" (for some it is Israel, for others Saudi Arabia). They buy up skins or knitted ware in Jordan and Egypt and superelectronic hardware, of course, in Kuwait and the Emirates. One may assess the political situation with a blanket statement that Russia is cultivating reciprocal ties with moderate Arab states and Israel. Cooperation with the more radical states, upon which the former communist regimes in Moscow had placed their bets, have either persisted, as in the case of Libya or have died down altogether as in the case of Iran and the PLO. That is, of course, for the time being.

This shift in our approach to the situation in the Middle East has been entirely too abrupt and too radical a change for certain well-known political factions in Russia, and they have not been slow to band together in opposition to it. The usual spate of accusations has been leveled at proponents of this policy, alleging that they have been "Zionized," and are sacrificing our principles, betraying our friends, and inflicting financial damage to the interests of the fatherland by supporting sanctions against Iraq and Libya.

The fact is that Russia today has indeed waived certain key principles of its former Mid-East policy. First of all, there was the principle that may be formulated as follows: Reinforcement of one's position by a reliance on force in confrontation with the West. Clearly, it has been replaced by another principle, which is one of cooperation in all areas through participation in peaceful processes. Russia has abandoned a policy of relying on its so-called "friends." Under this policy, other influential countries in the region remained outside the sphere of Soviet and Russian policy. The policy itself was like a clumsy bear standing on two legs instead of four. Moscow has relinquished also the once inflexible policy principle that "a friend is always right"—a policy that untied the hands of its ideological clients, so that they felt free to engage in all sorts of adventures, including military escapades, with full confidence that Moscow would support them. In place of this policy, Russia is now oriented to the supremacy of international law. The recent history of Iraq serves as an eloquent example of it.

Obviously, in debating this subject with opponents of the new policy, the question essentially comes down to this: Is the policy of today responsive to the national interests of Russia? If we take into consideration the fact that Russia and the Soviet Union represent two different states with different sets

of vital interests, not simply ideological, but economic and geopolitical in nature, then there need be no argument about our conception of the national interest. Today the main interest of Russia is to achieve political stability as a vital precondition of economic renewal. One of the most tangible threats at the present time to this relative stability comes from the region that in recent times has become known as Central Asia. There are to be found, of course, not only conflicts in abundance, but the threat of Islamic fundamentalism, and the imminent collapse of the economic system, accompanied by a demographic explosion.

Thus in order to neutralize the negative tendencies in these countries—our neighbors to the south—Russia should be committed to the establishment, insofar as is possible, of a belt of stability by encouraging and maintaining the stabilizing forces in this subregion of Central Asia. And in this regard, once again, it is vitally important for Russia to maintain a policy of joint cooperation with the moderate Arab countries, which will act as a counterweight to the radicalism of Iran, Afghanistan, and to a lesser extent Pakistan.

Incidentally, this wise and well-balanced policy of Russia is already yielding real economic dividends. Kuwait and Saudi Arabia, which together possess unique hard-currency reserves, have already provided our country with long-term credits at favorable terms. Long-term cooperative projects are now being planned with these two countries with regard to petroleum extraction and refining, and major investment projects are already under way. These very countries are now opening up their markets to exports of Russian machinery and equipment; and what is of particular importance to us, they are also opening up a market for weapons, which until very recently has been exclusively under the control of the United States, Great Britain, and France. It may be noted, moreover, that the agreement reached in the course of an official visit by a Russian military delegation to Kuwait and the United Arab Emirates, in accordance with which they will purchase a considerable quantity of arms, is attributable not simply to their physical requirements but also to a sympathetic understanding of our economic problems. More important than anything else to these countries is a political and military agreement, which was implemented in the course of a visit by P. Grachev to Abu Dhabi, making Russia yet another guarantor of the security of the Persian Gulf. Henceforth Russian naval vessels will maintain a presence in the area.

The moderate countries have a stake in the future of Russia because they know very well its potential for destabilization. What would have happened, for example, if Moscow had taken the side of Saddam Husayn in 1990?

The possibility of a change of attitude in Moscow with regard to Saddam Husayn is extremely remote. Notwithstanding the perceptible pressure on his behalf by some elements of the opposition, the approach to this problem taken by the leadership in the parliament is entirely consistent with the views to be found at the summit of executive power.

POLITICAL AFFAIRS

Rukh Support for Kravchuk Seen as Unreliable

934K0284A Kiev UKRAYINA MOLODA in Ukrainian
5 Feb 93 p 3

[Article by Iryna Cheremys: "The Opposition's Morning Exercises: Hands Up"]

[Text] The political system of Ukraine has still not stabilized. Parties are born and disappear, merge into blocs and again split to the different poles of the political spectrum. This sort of political fermentation will continue, it seems, until a political system on the European model is created in Ukraine. But meanwhile we observe with surprise the dance of death of the party leaders, whose behavior is practically impossible to predict.

Among these unexpected actions is the sensational declaration of the head of the National Rukh about his support for President Kravchuk. The obvious reasons for the movement of a radical oppositionist over to the side of the President are the refusal of the latter to sign the Statute of the CIS, and the activitization of the attacks of the Socialists on Kravchuk and Kuchma.

But the President has always taken a cautious position with respect to the further integration of Ukraine into the CIS. The negative evaluation by official Kiev of "Nazarbayev's initiative" in October, the refusal to join the Interparliamentary Assembly, the departure from the "ruble zone," are examples of this policy. On the other hand, Kravchuk, always kept under his wing the reformers who formed the basis of the present government. And the President created, as a counterweight to Fokin's team, the State Duma, where Yuhnovskyy, Zhulynskyy, Kuchma, Yevtukhiv, and Pynzenyk worked, and precisely thanks to protection by Kravchuk, the Supreme Council approved the economic program of Yemelyanov, the validity of which the present government recognizes. And so Chornovil's change of orientation cannot be explained by a change of position by Kravchuk, since Kravchuk has not changed.

There is another interesting fact. Speaking at the Forum of Ukrainians, the leader of Rukh spoke about the necessity of there being an opposition in a democratic state, as one of the most important elements of a civic society. This argument was also decisive a year ago, when the third convention of Rukh rejected Kravchuk's proposal that it become his support. This argument, without doubt, also works today. However, the declaration by Chornovil in the circumstances, when the renewed "National Council" is becoming the support of Kravchuk and Kuchma, leaves the Socialist-Communist bloc the exclusive right to call itself the opposition, depriving all democrats without exception of the halo of fighting oppositionists.

Perhaps, to understand the ideological fluctuation of Rukh, it is necessary to recall a bit of its history. Created

as a broad civic movement, similar to Polish "Solidarity" or the Baltic national fronts, with a program consisting of two words—"independence and anticommunism," the Ukrainian Rukh has had to repeat their fate; either to disappear from the political arena, or to find its place on the political spectrum and become one of the parties that fights for power. The present leadership of Rukh has in no way determined to settle on the second variant of the choice, and is repeating like an invocation these words: "Rukh is the largest opposition force, which is a civic organization and at the same time, as it were, a party." These words long ago lost their magic power; but instead in the bosom of Rukh tendencies to move it towards an extremely nationalistic platform, or an approach towards the liberal New Ukraine, are appearing. Rank and file members of the newly created party, Rukh, do not understand entirely, that their civic-political organization has been transformed into a purely political one, and many of them are keeping their membership cards from other parties.

Also, Rukh's ideological vagueness does not allow it to transform itself into a party. The program of Rukh still consists of two words, which ideally come under the name, Anti-imperialist and Anticommunist Front; but they do not make it at all possible to indicate the economic and political paths which the new state has to follow. "The Concept of state creation," accepted by the fourth convention of Rukh as a "party program," added to the words "independence and anticommunism" a rather widely known maxim: "It is better to be healthy and rich" (cited from the speech by the author of the "Concept," V. Chernyak). The totality of the phrases which were revolutionary in 1989, but do not mean anything in 1993, plus the attacks of Professor Chernyak against Kuchma's new government, can hardly be called by the word, "concept."

An organization with so much political and so little ideological baggage as Rukh, is suited only to be support for the first President of independent Ukraine, who must resolve at least two problems: to claim true independence and to discard the communist past; and in his position he must be the President of all Ukrainians, in order to have enough freedom of maneuver in the arena of internal politics, but also not to declare his inclination towards any ideology.

The fact that the leadership of Rukh has recognized the situation in which the organization finds itself, has calculated the profits which it will get by supporting the President, and has weighed its prospects—this is the most reliable explanation of Chornovil's somersault.

And now a word for Kravchuk: considering the freedom of action, which the leadership of "Rukh" has so clearly demonstrated, it is also possible to expect an announcement of the opposite content. Chornovil's unpredictability must also be considered by his colleagues from the Anti-imperialist and Anticommunist Front. In connection with this, the newly born front can hardly count on a long life.

In a word, the political stew of Ukraine continues to boil: the parties glue themselves together, and then move far apart. Only this fermentation no longer seems chaotic. The hand of the President, which with ever more certainty directs this movement, is quite clearly seen. Comments about the fact that circumstances have removed him from directly making decisions appear premature—to unite all democrats “under himself,” a great success.

On this I salute you, Leonid Makarovych.

Introduction of Crimean Presidency Opposed

934K0322A Kiev *PRAVDA UKRAINY* in Russian
9 Feb 93 pp 1-2

[Article Valeriy Orekhov, political scientist: “Problems in Peninsula Government”]

[Text] We are living in a dynamic time, a time when our society is changing so quickly that legislators are frequently late in establishing a legal framework for these changes.

Our parliament recently approved the text of the Constitution of the Crimean Republic. Our Supreme Soviet saw the presidential campaigns beginning in the CIS countries and jumped on the bandwagon by including a chapter on the presidential form of government in our Basic Law.

There have been many changes. We have witnessed the complexities and ambiguities of the processes accompanying the establishment of the presidency in Ukraine, the Russian Federation, and other states. We also cannot ignore the fact that it will be a long time, as it turns out, before we reach the market. During the transition period we will have to strengthen the economy, restore severed economic ties, and solve difficult social problems at a time of severe economic crisis.

The hope that democratic forces would quickly put things in order on all levels of government was unjustified. The initial efforts to change forms of property ownership brought about corresponding changes in the social structure of our society. Today it has virtually no solid social base for the creation of parties and public associations of citizens. This is impeding the development of a multi-party system in Crimea.

All of this suggests that it would not be worthwhile to disrupt the existing system of legislative, executive, and judicial authorities today, and that the introduction of a presidential form of government in Crimea, a republic which is part of the State of Ukraine, would be premature.

Another distinctive feature of society today is the distorted view of natural human values in the minds of most people, in which the labor ethic has been impaired and the concepts of honor, dignity, conscience, and respect for knowledge and professional skill have been perverted. These crisis-related phenomena could play an adverse role in a multi-ethnic republic in which the

slightest mistake by its sole leader (or president) might destroy civic accord in the region.

I will try to present logical reasons for my objection to the introduction of this form of government in Crimea.

The president is the head of state, and he is the sole head, the personification of supreme authority. This should make us wonder whether we need a single head of state. Could the institution of the republic presidency result in the dangerous concentration of excessive power in one individual's hands and pose the threat of a presidential dictatorship?

History gives us ample reason for these doubts. It is possible to proclaim democratic slogans and invoke the name of the people while showing contempt for the public interest.

International experience has demonstrated that reliance on the members of a loyal “team” and the changing mood of the voters can make the presidency weak and vulnerable.

In a presidential system with weak democratic traditions, there is a strong probability of unlimited individual power.

The presidency reduces the role of political parties, which have to perform the functions of “voters’ clubs” in this kind of system. They do not draw up government programs or choose the members of the Cabinet of Ministers. A presidency is unsuitable for a multi-ethnic state, because members of small ethnic groups do not have equal opportunities to become president.

Finally, a party must assume moral responsibility for its past, present, and future. This is reflected in the machinery of state. A president does not bear any such responsibility. History has proved and is still proving the impossibility of the optimal combination of democracy and a single president.

Another of my reasons is that a multi-party consensus is an essential condition for strong presidential authority and a factor precluding the abuse of this authority. It does not take a political scientist to notice that the multi-party system is still in the embryonic stage in Crimea.

The draft law of Crimea “On Public Associations of Citizens” was approved at a meeting of the Council of Ministers on 17 November and was scheduled for submission to parliament. The passage of this law should help to rouse the citizens of Crimea from political passivity and encourage them to be politically active. The political self-determination of each individual is extremely important today, because this kind of Crimean citizen will be able to comprehend the separation of powers and express his opinion of government policy. At this time, however, we could be mistaken in allowing a single individual to wield unlimited authority. Given the undeveloped legal base in the republic, this

kind of leader could take advantage of this opportunity for his own purposes. History provides numerous examples of this. The sad experience of the first and only president of the USSR is a case in point.

The critical socioeconomic and political situation in Crimea would make the election of a president by national ballot difficult. Our society is now consumed by crisis-related emotions. Under these conditions, a presidential campaign could result in the dramatic aggravation of relations in our society, especially inter-ethnic relations.

I would like to say something about the bill "On the Election of the President of the Republic of Crimea" that is now being discussed by standing commissions.

First of all, the Constitution of Ukraine and the Law of Ukraine "On the President of Ukraine" envisage a single presidency, occupied by the highest official and head of the executive branch, for the whole territory of the state. The president of Ukraine may not delegate his powers to other individuals or agencies.

This means that the introduction of the presidency in Crimea and the passage of a law on presidential elections will contradict the principles of the political structure in Ukraine and existing legislation.

At a time of sociopolitical difficulties, the use of state funds to hold a presidential election and a change in the existing system of government in Crimea could have an adverse effect in general.

Besides this, the proposed bill contains unacceptable demands. Article 11, for example, requires the presidential candidate to post a security bond of 50,000 rubles. This will limit the group of individuals eligible to be elected president.

This is contrary to the Law of Ukraine "On the Security Bond," establishing property and title to property as the objects of this kind of bond.

The requirements set for the presidential candidate in articles 1 and 2 of the bill are contrary to the Constitution of Crimea, which says that a citizen of the republic who has reached the age of 35 and is eligible to vote may be president.

The corps of deputies must give this matter careful consideration before they decide to approve or reject the bill.

I think the best course of action would be the amendment of the Constitution to delete all references to the introduction of the presidential form of government.

The principle of the separation of legislative, executive, and judicial powers was rejected outright as an unconditionally bourgeois principle for many years in our political practice and political science. This principle is one of the main features of a law-governed state.

The separation of powers is a universally acknowledged achievement of world political culture.

The conflicts between different branches of government are only a fraction as intense as the conflicts that might arise when the balance between these branches is disrupted. In addition to everything else, the introduction of a presidency in Crimea might return us to the old party mechanism—automatic agreement and a show of unanimity at the expense of diversity and choice. This would compound the probability of major irreversible errors and, eventually, pose a threat to reform.

Only a smoothly operating government machine can lead the republic out of economic crisis. We are now witnessing a crisis in government, marked by confrontation between the executive and legislative branches, the loss of contact with regional agencies, and the inability of the latter to take action.

As Prime Minister L.D. Kuchma of Ukraine said when he addressed the session of the Supreme Soviet on 18 November 1992, the hierarchical structure of government is not working today, because there is a horizontal rift between government agencies and the objects of public administration—economic and social.

Under these conditions the government should take action to stabilize the economic and political situation. The important thing today is to stop the confrontation between the Supreme Soviet and Council of Ministers and show the people that government structures in Crimea have joined forces to solve socioeconomic problems in the region.

How should parliament interact with the executive administration? The main thing is that parliament and the administration should employ the same strategy and strive for a consensus by finding carefully considered solutions meeting the requirements of our daily life. We need cooperation, partnership, responsibility, and the renunciation of the kind of intrigues the people cannot understand. They are injuring the prestige of government in Crimea. There must be moral and legal restraints on the behavior of officials, because their absence quickly diminishes the prestige of government and its representatives.

From the standpoint of interaction and partnership between parliament and the executive administration, a single and general program of action is essential. It could be drawn up at a joint meeting of the Supreme Soviet Presidium and the Council of Ministers. It would call for thoughtful and serious legislative work by parliament and, of course, independent activity by the administration, presupposing routine parliamentary oversight of its performance.

Finally, we need to develop precise mechanisms for conflict-free interaction and partnership by the legislative and executive branches of government, without any attempts to subordinate one branch to the authority of the other.

The disruption of the balance of legislative and executive powers could have negative consequences. The solution is the precise legislative separation of the powers of each branch of government, without any interference by one branch in the work of another.

Further Developments in Orthodox Church Schism

Church Council Removes Lvov Archbishop From Post
934K0311A Lvov VYSOKYY ZAMOK in Ukrainian
6 Feb 93 p 2

[Report: "A Deeper Schism? UOC-Kievan Patriarchate Bishops Council Expels Archbishop Petro From the Church"]

[Text] An expanded session of the Holy Synod of the UOC-KP [Ukrainian Orthodox Church-Kievan Patriarchate] was held on 12 January of this year. It took place under the leadership of Filaret, Deputy Patriarch of Kiev and All Ukraine and Metropolitan of Kiev.

The participants in the expanded session examined and considered the report by Petro, Archbishop of Lvov and Galicia, wherein he stated the following: "I hereby inform You that—with the blessing of the Most Holy Mstyslav, Patriarch of Kiev and All Ukraine, on 24 December 1992 in the city of Kiev—I, Petro, Archbishop of Lvov and Galicia, have been simultaneously appointed and recognized as Director of Affairs for the Kievan Patriarchate, with the right to represent its interests in the state institutions.

"I also hereby inform You that I am resigning from the body of the Holy Synod and jurisdiction of the UOC-KP."

The participants in the expanded session decreed that the edict issued by the Most Holy Patriarch Mstyslav on 24 December 1992 and his order concerning the convocation of an expanded bishops conference to be held on 22 January in the city of Lvov are deemed canonically invalid.

They also declared that Archbishop Petro by his actions had placed himself beyond the bounds of the UOC-KP, and they condemned his deeds as directed at deepening the schism in Ukrainian Orthodoxy.

At the same time they entrusted the administration of the Lvov Eparchate to the Most Holy Andriy, Archbishop of Drohobych and Sambor.

They also issued the following directives: A Bishops Council of the UOC-KP was to assemble in Kiev on 22-23 January of this year. In connection with the situation which has evolved since the creation of the UOC-KP and the need to solve the problems of internal church life, it decreed that an All-Ukrainian Orthodox Council be held in Kiev on 20-21 October 1993. It elected a Pre-Council Commission. And it set as its goal informing the clergy and laymen that only those decrees, appeals, and statements adopted by the Holy Synod,

Bishops Council, and the All-Ukrainian Orthodox Council are to be deemed as canonical and legally valid.

By this decree, Petro, Archbishop of Lvov was expelled from the Church. Volodymyr Romanyuk, Archbishop of Bilotserkivsk, was elected to take his place in the body of the Holy Synod.

Taking into account the situation which has now evolved in the Lvov region, the Council decreed that Andriy be awarded the title of Archbishop of Lvov and Drohobich. And it called upon clergymen and laymen to preserve and safeguard the unity of the UOC-KP.

(As reported by our correspondent)

Archbishop of Lvov Interviewed

934K0311B Lvov VYSOKYY ZAMOK in Ukrainian
6 Feb 93 p 2

[Interview with Petro, Archbishop of Lvov and Galicia, by Volodymyr Radovskyy, correspondent: "The Church Hierarchy Must Be Ideologically and Morally Pure"]

[Text] For The Most Holy Petro, Archbishop of Lvov and Galicia, 1 February was an extremely tense day filled with urgent matters. Despite the fact that he was already late for a doctor's appointment, the archbishop agreed to answer questions from our correspondent. It was late in the evening.

[Radovskyy] In view of your departure from the Holy Synod and your expulsion from the Ukrainian Orthodox Church-Kievan Patriarchate, as well as the existence in Ukraine of three Orthodox Churches (the ROC [Russian Orthodox Church], headed up by Metropolitan Volodymyr Sabodan, the UAOC [Ukrainian Autocephalous Orthodox Church], and the UOC-KP [Ukrainian Orthodox Church-Kievan Patriarchate]), are these not the signs of a schism?

[Petro] No, this is not a schism, but rather a conflict situation—one which, we believe, will be resolved positively.

[Radovskyy] How did this conflict begin?

[Petro] Perhaps it all began with the fundamental statement which Mstyslav, Most Holy Patriarch of Kiev and All Ukraine, made in the name of the president, prime minister, and procurator general of Ukraine. This statement was made after the events which I will recount here in their chronological order. In 1989 the Ukrainian Autocephalous Orthodox Church was reborn. It was reborn with the thought that this Church would be able to do a greater deal by way of educating a morally healthy society—provided, of course, that its own hierarchy could be morally pure. On 5-6 June 1990 the Provisional Council of the UAOC enacted the Statute of our Church. And on 25-26 June 1992 the so-called

All-Ukrainian Orthodox Council was held in Kiev and was attended by some bishops, priests, and laymen of the UAOC. It should have taken place in accordance with the canons of the Church, but Patriarch Mstyslav, the Dean of the UAOC, did not give it his blessing, and this "council" was uncanonical (by the way, all the subsequent bishops councils, expanded conferences, and synods have also taken place in violation of the canons).

[Radovskyy] Please tell us the essence of the decisions taken by the All-Ukrainian Orthodox Council which was held in June 1992.

[Petro] To put it succinctly, they seem to be as follows: With regard to the dispute about the UAOC Statute, the participants in the council held on 25-26 June of last year arrogated to themselves the right to introduce changes in the UAOC Statute, as well as the right to liquidate the UAOC and to transform it into the Ukrainian Orthodox Church-Kievan Patriarchate. At this "council" the former metropolitan, Filaret Denysenko, whom the Russian Orthodox Church had stripped of all church ranks—that of bishop and priest—was chosen to be "Deputy Patriarch." But such a choice falls within the jurisdiction of the Patriarch himself. Nor is it known if or by whom changes were made in the Statute regarding the administration of the Ukrainian Autocephalous Orthodox Church. Patriarch Mstyslav placed his hopes on the honor of the hierarchy with regard to maintaining the regulations and canons of the UAOC Statute and provisions. But this did not come to pass; the provisions were disdained and scorned by them.

[Radovskyy] And was it then that Patriarch Mstyslav made his statement?

[Petro] Yes, and he signed it on 24 December 1992. It was certainly necessary to react right away to the decisions taken by these assemblies and meetings, which could not—in any case—be called councils, but rather an alliance made by Metropolitan Antony Masendych and Filaret Denysenko. The initiators of this so-called council—the archbishops Antony Masendych and Volodymyr Romanyuk—upon the decision of Patriarch Mstyslav, were expelled from the body of the Episcopate of the UAOC as of 17 October of last year. At that same time I was appointed as Director of Affairs for the Kievan Patriarchate and plenipotentiary representative for the interests of the UAOC in state institutions. But in the decree issued by the Bishops Council of the UOC-KP on 22-23 January of this year it was said that I had supposedly declared the following: "I have been appointed as Director of Affairs and Preceptor of the Patriarchate."

But let's return to the statement addressed to Leonid Kravchuk, Leonid Kuchma, and Viktor Shishkin, informing them that on 20 July 1992 the Council on Religious Affairs under the Ukrainian Cabinet of Ministers had registered changes to the UAOC Statute; moreover, it had taken the decisions of the assemblies held on 25-26 June 1992 as the basis for its own actions. The Patriarch emphasized that the participants in these

meetings had every right—as Ukrainian citizens—to create a new religious organization and to give it its own name. "But the question of putting an end to the existence of the UAOC," Patriarch Mstyslav pointed out in his statement, "is something that only the organ provided for in the UAOC Statute has the right to resolve. And the question of introducing changes to the Statute is also something which only the Statutory organ has the right to decide."

Furthermore, in connection with the fact that the Council on Religious Affairs Under the Ukrainian Cabinet of Ministers designated the decisions taken at the assemblies of 25-26 June 1992 as decisions made by the Statutory organ—something which these assemblies never really were—thereby the pseudolegalistic foundation for the state liquidation of the UAOC was itself artificially created. Patriarch Mstyslav addressed the following demand to the government leaders mentioned above: "In accordance with international norms and valid Ukrainian legislation, revoke the decision to liquidate the UAOC and re-register its Statute in the Council on Religious Affairs, and restore all rights to the legally elected Provisional Council of the UAOC Patriarchate."

The statement concludes with the following words: "I consider that all those persons in power who are guilty of violating Article 50 of the Ukrainian Constitution should be held liable; whereas the moral and material losses suffered by the UAOC should be indemnified by the payment of damages."

[Radovskyy] What resolution to this conflict do you see?

[Petro] The odious figure of Filaret is the obstacle on the path to a true unification of the Orthodox in Ukraine and the cause of our discord. He has been compromised not only as a person, but also as a church leader and a political figure; he is without a flock, without a church rank, and without honor. The believers of our independent Church will never lose faith in their own Patriarch and will never replace him with Filaret Denysenko, as the latter's followers tried their best to accomplish by means of a merger with the UAOC—a crazy, albeit sly, strategic maneuver.

Quite recently, on 22 January of this year in Lvov—with the blessing of Patriarch Mstyslav—I convoked an expanded bishops conference for the purpose of preparing for the All-Ukrainian Orthodox Council. The participants in this conference approved and enacted the text of a letter to the president of Ukraine. In particular, the letter contained the following lines: "History teaches us that it is not cruelty nor the lust for power among the national elite which constitute the foundation for the emergence or existence of a nation, but rather its spiritual value. A nation or a state, led by such a soulless, morally corrupted elite, will not be able to hold out against the external pressure from enemies and will be smashed by them like a plaything built on sand."

[Radovskyy] What issues were discussed at the conference? And which ones were approved and enacted?

[Petro] First and foremost, we discussed the program for the All-Ukrainian Orthodox Council which is scheduled for later this year. We set up the following commissions: Pre-Council, Statutory, and a Commission on Matters of Unifying an All-Ukrainian Orthodoxy. We thoroughly analyzed the status of UAOC affairs during the last six months. The conference noted that the trip taken by the UAOC headed up by the Most Holy Patriarch Mstyslav in May 1992 to Constantinople provided hope for the recognition of our Church by World Orthodoxy. At the same time, however, it was remarked that the further growth in authority of the UAOC has been unexpectedly harmed by the so-called All-Ukrainian Orthodox Council (held in Kiev on 25-26 June 1992). We regard this council and the UAOC alliance without the Patriarch's blessing as a black act of treason. As a result of this alliance, our Church has been painfully wounded: Dissension has been introduced into the good organizations of the Lvov, Ivano-Frankovsk, and Ternopol eparchates; a lack of respect for authorities has been engendered, and many Orthodox persons—clergymen as well as laymen—have been tricked and deceived. Matters have begun to proceed down undesirable paths. The hopes for unifying Ukrainians into one Church have not come to fruition.

[Radovskyy] But there is still hope for this, isn't there?

[Petro] We firmly believe that the rebirth of our Church will bring salvation to our much-suffering, centuries-oppressed, Ukrainian nation. I am also convinced that the will of our Sacred Lord will not permit the desire for independence (autocephaly), which we have striven for centuries to attain, to be frustrated, and He will protect and defend us against the onslaughts of our enemies.

[Radovskyy] What else would you like to tell the believers?

[Petro] Only one thing. In these difficult days—in this time which is so hard for us—I call upon the Orthodox people to show wisdom, patience, and a devotion to the sacred idea of independence for our Church, as well as to Mstyslav, Patriarch of Kiev and All Ukraine.

[Radovskyy] Thank you.

ECONOMIC AFFAIRS

Kuchma Addresses Housing Problems of Those Displaced by Chernobyl

934K0280A Kiev *RABOCHAYA GAZETA* in Russian
12 Jan 93 pp 1, 3

[Article by G. Kosykh, deputy chief of Cabinet of Ministers Press Office: "L. Kuchma: 'A High-Priority Problem—Chernobyl'"]

[Text] One of the latest decisions adopted by the government on the eve of 1993 was the decree of the Cabinet of Ministers number 730 "On urgent measures to accelerate construction of projects connected with the resettlement of citizens from territories that were subjected to radioactive

contamination as a result of the Chernobyl catastrophe." This document of great importance to many of our countrymen is the result of one unusual working day of Prime Minister L. Kuchma.

At present, when the foundations of a new Ukrainian economy are being laid literally each minute of the prime minister's day is filled. Up to ten edicts are born every week in the Cabinet of Ministers which are designed to prod market reforms, stabilize the operation of the national economy, and ensure social protection of the population under crisis conditions. Each such document bears the signature (and, naturally, is the responsibility) of the prime minister. In addition to that every day also includes many routine matters and protocol engagements.

In the middle of the third ten-day period in December, however, L. Kuchma left everything to his subordinates and travelled to Zhitomir in Brusilovsk Rayon for the entire day. That is the site where settlements are being constructed for those who must resettle here from regions affected by the Chernobyl disaster. Upon arrival in this region the prime minister declared: "There are many priority tasks in Ukraine. But the super-priority problem is Chernobyl, specifically the resettlement of people from that zone where it is impossible to live today. This assignment must be carried out first and foremost, regardless of what it costs us."

I am confident that everyone will agree with these words. But why is there such a joyless situation in the area where these words should be transformed into concrete deeds—into thousands of square meters of housing? The construction sites are quiet, the builders have gone home, the tens of shells that were erected with uninstalled windows and doors are standing abandoned while tens of finished houses remain unoccupied.

It appears that there are "valid" reasons for everything. The builders have left since there are no materials or fuel. People are not moving in because no stores, hospitals or other public facilities were planned in the newly constructed settlements. Housing was not supplied with gas. By the way, the conference conducted by the premier revealed that five or six agencies are responsible for gasification—so they are all pointing their fingers at each other.

The guests from Kiev heard quite a few bitter words from a young woman who recently moved from Narodichi:

"It is damp in the houses, walls are wet, ceilings are dripping water. It is not surprising that the children are ill. There is no coal at the warehouse. We do not know how we will survive the winter. Someone delivered pipes for gas, someone else removed them. The people are being resettled but they have no place to work. In other words, we were promised much but little was done for us. People have lost faith."

That is why L. Kuchma could not calmly listen to official reports dealing with "overall volumes" and "percent of fulfillment." It is important not to engage in self-deception. What is needed is not volumes, not holes in the ground, not percentages, but good quality housing. Not based on the imperfect designs that are being used at present but modern ones. Not sometime but in a prompt manner. Look at the position of the new settler, the premier asked participants of the conference. He must arrive here in the spring in order to have time to plow the kitchen garden and plant it in time. How is it possible to hope that a person will move in the summer?

The head of government also reminded everyone that when he represented the Cabinet of Ministers he had said that he did not know many of the executives. Now he is coming to know them and will therefore make appropriate conclusions. I believe this remark did not add to the optimism of the members of government who were present.

By the way, the government decree that was mentioned, which also outlines the ways of getting out of the dead-end situation in which the problem of Chernobyl settlers found itself, also contains an evaluation of each of the participants of the construction project. Therefore let us turn to that document. It describes the manner in which the government administrations in Vinnitsa, Dnepropetrovsk, Zhitomir, Zakarpate, Zaporzhye, Lvov, Odessa, Ternopol, Kharkov, and Kherson oblasts organized the fulfillment of assignments established by the government as highly unsatisfactory. The attention of heads of the state administrations, correspondingly, that of N. Dydyk, P. Lazarenko, A. Malynovskyy, M. Kraylo, Yu. Bochkarev, S. S. Davymuka, V. Ilyyn, R. Hromyak, A. Maselskyy, and A. Melnykov was focused on the improper manner in which fulfillment of the programs for liquidation of the consequences of the accident at Chernobyl Atomic Electric Power Station was organized.

The decree did not overlook the contracting organizations of "Ukrstroy," "Ukragropromstroy," "Ukrmontazhspetsstroy," and "Ukrgez" corporations, as well as the "Ukrgezprom" and "Ukrneftegazstroy" concerns, the "Ukrgezstroy" concern, the State Committee for Housing and Municipal Services and the Ministry of Communications, whose work is lagging far behind the established deadlines.

The Ministry for Protection of the Population from the Aftermath of Chernobyl and the Ministry of Construction and Architecture are not coping with their coordinating functions. Their heads, the ministers G. Hotovchyts and V. Borysovskyy, were given a stern warning for poor organization and monitoring in the fulfillment of state assignments. The indicated ministries together with other appropriate agencies and oblast state administrations, in turn, must ensure accelerated construction of housing in the complex along with production and public facilities so as to complete resettlement of most of the citizens from the zone that must be vacated on an unconditional (mandatory) basis. It is established that

dwelling of the rural type must be made available for occupancy by citizens not later than by 15 November 1993.

Specific individuals, responsible for each sector were designated. Priority allocation of material-technical and financial resources was stipulated for the construction work. The decree also contains some completely new approaches in the organization of construction. In part, such as the competitive selection of contracting organizations. They will receive an incentive through the authorization to utilize 25 percent of capital investments for the established volume of operations to finance expenditures on the development of their production base, building of housing, acquisition of construction equipment and means of transportation, and certain benefits in labor remuneration, in part, payment of bonuses for timely completion of projects in an amount double that stipulated by existing norms.

The Zhitomir and Kiev state oblast administrations must make certain that workers assigned to construction of facilities in zones of guaranteed voluntary settlement are provided with quality food supplies.

That is the rather important and quite a voluminous document which was signed on New Year's Eve by the prime minister. Before that, while at Zhitomir, he promised both the settlers and those charged with the task of organizing the construction of new settlements that he will keep this important matter under his personal control and visit there again in a few months to see how the situation is improving. The following statement he made was particularly memorable: "The trust of the people in parliament, government, and the president must be restored on the basis of those urgent and critical issues that exist in Ukraine."

Vice-Premier Ioffe Holds Meeting on Prospective Black Sea Oil Processing

934K0280B Kiev PRAVDA UKRAINY in Russian
6 Feb 93 p 1

[Article by A. Malyenko: "Will the Oil Tankers Sail to Ukraine?"]

[Text] The oil famine is another disaster that has befallen our economy which is already in deep crisis. As assumed by specialists the shortage of this highly important energy source will grow worse.

That unsettling conclusion is well based. The extraction of oil is rapidly declining in Russia which supplies us with most of this liquid fuel. Just a couple of years ago some 600 million tonnes of petroleum were extracted there, whereas the anticipated result for this year will be only 340 million tonnes.

Judging by everything, this will be primarily reflected in the provision of raw material for oil refineries of Ukraine. Already at present the highest leaders in our government are compelled to make trips to Tyumen in

order to somehow ensure "an influx" of Siberian petroleum. In the future, however, there is total uncertainty with regard to its delivery.

It appears that Ukraine, as an independent state, must have not one but several alternative sources of petroleum for the national economy. The petroleum unloading complex on the coast of the Black Sea could become one of them. The need for such a terminal for handling tankers was recognized at the very highest level. At the same time talk about it started so long ago that it seems to be high time to start the construction of such a key facility.

But, as is common in our case, there were many words but nothing practical has been accomplished. That was revealed in the course of a conference which took place a few days ago at the office of Yuliy Ioffe, vice-premier of Ukraine. Heads and specialists of interested agencies, enterprises, scientific research and design institutes, along with scientists and people's deputies were invited to attend it. The discussion was conducted in an extemporaneous manner since there are still not only no design for the terminal, but such documentation has not even been ordered from anyone and the construction site is yet to be picked.

At such a stage it is, naturally, possible to outline the future structure only in general terms. It is assumed that capacities designed for receiving 12 million tonnes of petroleum per year will be the first to go into operation. That will allow either elimination or a considerable decrease in its shortage. Subsequently the handling capacity of the terminal is to grow several-fold so that it would be capable of satisfying the principle needs of the country for this energy source.

The Port of Blizhniy, near Odessa, is so far foremost among the proposed sites for that terminal. The task is set to select a final site in the immediate future by the elaboration of several variants on the economic, technical, and ecological plane, after which an international competition will be declared for the best terminal design. There will be considerable expenditures: the cost of just the first section is estimated to be hundreds of millions of karbovanets and several tens of millions of dollars.

The main problem, however is prevention of ecological damage which could be caused by the new project. It must be said that the conference included (active) participation of representatives from the Ministry for Environmental Protection of Ukraine and from local environmental protection organizations. Remarks made by Minister Yuriy Kostenko were of a general nature whereas specialists from Odessa undertook to prove that the oil unloading complex would be destructive to nature.

These conclusions were based on the fact that at the proposed construction site the technological load on coastal marine environment has already reached the critical mark. Untreated sewage from enterprises and the river add so much pollution that the sea does not have

time to self-purify. Maximum permissible concentrations of harmful substances have already been exceeded by many times in sedimentation on the bottom.

In such circumstances an additional source of pollution is doubly dangerous—undesirable processes will start taking place at an accelerated rate in the natural environment. Since nonpolluting technology in the unloading of oil does not exist the problems connected with the terminal would appear to be leading to a dead end. As noted by Yuriy Romanov, a people's deputy from Odessa, who heads the oblast commission on preservation of nature, we will get a terminal, acquire oil and lose the sea.

After rather heated discussion, however, no solution was offered. It consists of activating environmental protection work in the region simultaneously with the construction of a facility of such consequence to the economy and even the security of Ukraine. Priority construction must be tied in with the introduction of local purification structures, which has been delayed, and with the imposition of more rigid restrictions on neighboring polluting enterprises. Of course, much will have to be done in parallel, which we are not yet used to doing. We will try to keep our readers informed.

Head of Ukrainian Socialist Party on Surmounting Economic Crisis

934K0276A Kiev GOLOS UKRAINY in Russian
30 Jan 93 pp 3, 6

[Article by A. Moroz, people's deputy: "Seek Our Own Method of Bringing the Country Out of Economic Crisis"]

[Text] No matter how or who explains the causes for the tumultuous decline in living standard of the citizens of Ukraine it cannot be done disregarding governmental edicts adopted on New Year's Eve as well as later. It is possible to find sufficient material in each one for criticism. Confusion is caused by the apparent unsystematic character of the edicts, their lack of coordination. The government program is called upon to eliminate the latter shortcoming. According to information in government circles Prime Minister L. Kuchma rejected the initial draft of the program sending it back for extensive revision.

But does this evaluation actually alter the essence of the edicts which are already in force? Do they create a certain ideology of reform? These questions are presently occupying the politicians. And not only them.

Knowing those responsible for the elaboration of the economic policy of the government, studying their declarations on the paths to be followed in the reform and the promises made to delegates of the Fourth Rukh Congress, it is not difficult to assume that the edicts of the Cabinet of Ministers also stem from the Rukh concept.

It is possible to verify this assumption with the aid of the thus far postponed government program. It is difficult to believe that the left hand of the author wrote the program while the right one, prepared the edicts not connected with it.

This forces us to attentively analyze the documents in order to make conclusions regarding their essence and origin. Just what is being talked about?

The draft of fundamentals of the program of economic reform of the Cabinet of Ministers of Ukraine, in essence, and in most of the cases, in its concrete models as well, is similar to the section "Economic reform as a concept of state building worked out by the Fourth Congress of Rukh." This allows determination of not the main, but still a known address of the editorial office and creators of the draft of the reforms.

The authorship of the fundamentals can also be shared with Rukh and its representatives in the Cabinet of Ministers by specialists of the World Bank, the International Monetary Fund, and Harvard University who guaranteed the government that "if the Cabinet of Ministers of Ukraine adopts the program of economic reforms prior to 10 January 1993 and that is confirmed by real reforms" it is possible to count on the acquisition of rehabilitative credit from the World Bank in an amount of 0.5 billion dollars in the second quarter of 1993, along with credit from the World Monetary Fund for stabilization of the national currency (the hryvnya) in an amount of 0.6 billion dollars during the second to the fourth quarters of 1993.

The greatest hopes were pinned to the European Reconstruction and Development Bank as well for an amount of 1.5 billion dollars. It should be noted that this section of the draft occupies 10 lines out of 26 sheets of text. In other words, everything here is clear to all, without details. Particularly to the authors.

The second variant of the program avoids references to foreign authorities. It differs from the first one in its veiled mechanism for attaining the goals. It is supplemented by an analysis of the situation in the economy, theses about the agrarian sector, and a number of supplements. The strategic goal, however, is clearly defined: "create a critical mass (over 50 percent) of private owners to ensure an adequately competitive environment."

This has been the the foreword. In addition to that it is also necessary to remember the history of the 24 billion in Russian aid, when it was promised, and why it is not being given. There is much it can be used for.

A desire to carry out accelerated transformation of our economy into a market economy, without concern for the welfare of the population, in other words, ignoring it, can be seen in the recommendation of the indicated authorities on the world market.

The basis of the program consists of maneuvering of prices, wages, and the exchange rate of the karbovanets

which are determined by market fluctuations and wholesale privatization through bankruptcy and unemployment. The document that was elaborated is devoted to all of this. It contains no mention of production, its expansion or renovation.

Understanding that structurally our economy is not adapted for the market, the attempts of the authors show a timid effort to develop only the light and food industry, whereas, for instance, the German program for the introduction of the GDR economy to the market, is based entirely on gigantic capital investments whose goal specifically consists of ensuring structural and technological reorganization. It is also hoped that this can be accomplished in five years.

The program of Chinese reforms, in its strategic directions, is also designed for a 30-year period. We, however, tend to count on miracles, tricks by wealthy benefactors. They also place a very low value on us of two to two-and-half billion dollars which are doled out a little at a time by the international banks. At the same time Jeffrey Sacks, a professor at Harvard University, believes that results will appear after about five years of "strict" implementation of reforms.

The weekly NEW YORK TIMES survey reported on 12 - 25 May 1992 that "the IMF is acting very successfully as far as the mobilization of the country's resources are concerned for the payment of its debt to commercial banks, but when mention is made of the long-term recovery of the economy of those countries—it is a catastrophe." One of the well-known examples is the 21 programs of the Fund for Haiti—a country that was never able to resolve its crisis.

Let us remember that the frequently recalled reforms of L. Erhardt ensured creation of massive purchasing power for all strata of the population as a decisive link in progressive development, providing work for the unemployed, extending long-term credits for expansion of production, providing financial assistance in housing construction, and ensuring a decrease in taxes and even their refund. The method that is being offered to us, however, which empties the pockets of the population and investors with through inflation, depriving them of their honestly earned money, was called "most revolting" by Erhardt.

Our active duplicators of the Harvard model are insistently propagandizing the accelerated auctioning of enterprises. In China, however, it is being carried out thus far in a selective manner with a qualification: "both planning and the market serve as a means for managing the economy." State methods of economic management ensure not only the success of transformations but in one way or another promote the development of a democratic society.

It is impossible to deny that certain circles in the West really are seeking the most suitable methods to help with

the transitional processes in CIS countries and especially in Ukraine. But they are detached from our own experience, are not acquainted with the essence of our completely different system of management. One should listen to the conclusions of an independent French researcher Jacques Sapir. He believes that "in an economy in which for 60 years the behavior of economic agents was determined not by valuations, but by natural concepts, the reckless mass-scale utilization of monetary-credit and financial remedies for outdated organic formations of the economic structure is leading to destruction of old regulatory mechanisms without the creation of any new mechanisms of the civilized type in their place." In 70 years we created something that is most valuable in modern economics—a large-scale industry and an authoritative intellectual level of science and producers as a sum of experience, and technical, and general knowledge. Utilization of that wealth must be the means used to form new mechanisms for economic development.

Let us assume that it is more advantageous for financial circles in the West for Ukraine to have a market economy with mechanisms identical to those in the West. But the anticipated cooperation, naturally, is founded on interest. In this case it is the market as a means for creating a convenient investment climate with our help.

It would be unforgivable for the West to miss the opportunity of managing one of the states in its favor for only two to five billion dollars. Taking into consideration the breakup of our former economic links (and not only them), they are seriously discussing concepts of aid that include "observation and supervision" right up to intervention (God forbid, like in Somalia, Bosnia, or Iraq), at the same time recording their own balances of payments with huge deficits: FRG in 1991—34.3 billion marks, U. S. A. foreign debt—around 600 billion dollars, while demanding a deficit-free budget from us.

The Poles and Hungarians, who were the first to have contacts with big business, assert that recommendations of the West smell of quackery and self-interest.

According to conclusions of the UN Development Commission, through domination by transnational corporations of "the Group of Seven, which owns two-thirds of the IMF capital, these countries realize an income measured with a ratio of 1 : 10 (a ten-fold return on every dollar of aid). The other countries annually lose around 500 billion dollars being the most important sources for the development of countries of "the Group of Seven," and the principle motive for the functioning of the Fund.

This is said not in order to condemn the Fund but to take into account the realities which we have not previously encountered. Working capital does not suffer from philanthropy and demands a qualitatively new attitude toward itself previously unfamiliar to us.

International financial circles will be offering credits but with a standard selection of demands pertaining to

transformations being made in Ukraine. Analysis indicates that such demands form the foundation of the draft of fundamentals and became the economic program of Rukh, and eventually that of the Cabinet of Ministers as well. These measures, however, are capable of functioning only under conditions of a formed market and not under conditions of involving barter where they work producing the opposite effect.

This peculiarity is already being felt. There is a decline in payments out of the unraveling budget, all types of expenditures are being curtailed. Particularly severe consequences will be produced by a decrease in payoffs and conversion programs. The idling of this group of enterprises is not an anticipated relief for the budget (there is no talk concerning their reconstruction and diversification). These are material losses multiplied by long-term losses in the intellectual sphere and in the field of newest technologies. Without investments in them no economy could survive.

Then it is necessary to expect professional degradation and total destruction of the construction complex which in the future will be adequate probably for the building of summer homes and street vending stalls.

Privatization of state property at dumping prices will not save the day. The experience of foreign countries as well, such as Austria, England, Brazil, Germany, India, Mexico, and France also indicates that almost 75 percent of property in the most important 10 - 12 branches is in government hands. If it is also considered that up to 90 percent of those employed in the leading countries work for hire, for wages, then it becomes clear what civilized capitalism represents, where only 10 -15 percent of the population are engaged in market relations. We, however, are being offered not only decline and bankruptcy, we are being offered rebirth of society into so-called uncivilized capitalism of the past centuries. It is also necessary to remember that capitalism proceeded toward state ownership and hiring of workers at the level that has been established from individual manufactures and a mass of owners, from the private to the common, i.e. the tendency was realized through the law of development, in accordance with all demands of production and management.

According to the president of Ukraine we do not wish to build Ukraine at the expense of someone else. For that reason it is necessary to weigh all of the possibilities. We must honestly recognize that thus far we do not have reliable premises for successful transition to a national currency. It is not accidental that we are being prodded in that direction and even offered a stabilization fund with our land and best factories, and air and maritime ports as security. That is the next variant offered in November of last year as submitted by the Esampshi Holdings Corporation. It is clear that this stabilization fund does not guarantee the stability of national currency, and property pledged as security will pass into the hands of the "grantor" under the management of international financial circles.

We must ensure transition to the hryvnya but only under conditions that include stabilization of production and a rise in efficiency and productivity of labor and national revenue. It is necessary to accelerate that process, thoroughly review and supplement the vague segments of the fundamentals pertaining to budgetary, tax, and price policy, demonopolization, and privatization and particularly development of production, state regulation of the economy and structural policy. The government must not summarily withdraw from the operation of the pension system for the population, it is necessary to include a regulated resolution of the housing problem and that of the building industry as a whole (it is circumvented in the fundamentals, as if it did not exist) in the sector on social guarantees. It is necessary to express and outline economically substantiated paths for resolving problems of conversion, Chernobyl, the settlers, and stability in the supply of food and energy. It is important to remember domestic science, the brain drain, and our scientific and technical intelligentsia no place for which was found in the fundamentals. It also appears that the Academy of Sciences of Ukraine, institutes of economics and national programs, as well as the Council for the Study of Productive Forces were not involved in their formulation and approval. It seems we are talking about formation of a national intelligentsia while consciously preparing a passport for it to go abroad.

Industrialists and the directorial corps should be involved in the analysis of the draft of reforms. It looks like those forces were not used either. It is not even worth mentioning the role of local soviets or the socioeconomic commission of the president of Ukraine.

We do not want to recognize it and are ashamed to say it out loud, but the situation in the CIS may be described as wartime. There is an economic war going on. Already there are customs offices and customs edicts as well as delayed payments. As noted by political scientist A. Migranyan, the desire of Ukrainian leadership to centralize power in Kiev with a tendency toward rigid unitarianism is aggravating CIS countries and not only them. "The unitary will of Kiev is being resisted not only by Donbass, Kharkov, and Odessa, but by Zakarpatye as well, where they dream of a free economic zone with a certain measure of autonomy and freedom," KIEVSKIYE NOVOSTI observed in the middle of last January.

We cannot avoid economic decentralization of Ukraine. To resist it, fearing federalization, is hardly reasonable. In Russia the processes of decentralization are already becoming a reality in constitutions being adopted by members of the federation. In our case the question does not appear in exactly the same way but this does not mean that economic unitarianism and isolation from neighbors are beneficial to Ukraine. Such a policy is already bearing its bitter fruit inasmuch as integration is an objective requirement for production at a technological level that determines mutual dependence of the economies. Either we proceed along a path of economic

integration and political trust, or one involving intensification of confrontation and an increase in social and political tension, understanding that only a farmer with a plow and a horse can be fully independent from Russia.

Sovereign, independent states rest on the economic base of a widely integrated economy which is basically of a regional character. Bankruptcy of production, however, is disastrous in the building of a system which combines both the centralization of management and regional independence. That should be taken into account by those who are attempting to make extensive use of bankruptcy as a step in privatization. After all, there is no such thing as partial bankruptcy. Declaration of bankruptcy by individual enterprises brings about bankruptcy of profitable enterprises and their subcontractors as well, etc. In our economic system that is simply inevitable. After bankruptcy recovery will be particularly difficult and expensive. The competitive capability of enterprises will be undermined and investments of national and foreign capital will become ineffective. Under these conditions we will have to wait for direct investors for a long time. Sensing such prospects they are not coming to us in a hurry at the present time probably waiting for an investment period which will come following destruction of the existing production system.

The processes are exacerbated by the orientation of production only toward the foreign market. That is a typical delusion of "monetarists" attempting to stabilize the financial system with superficial factors. The significance of the domestic market is not understood by the authors of programs either on the economic or the social plane and it is currently underestimated by the Cabinet of Ministers. The weak positions of the domestic market increase and consolidate the partially market-like commercial structures with ramified foreign ties which produce large revenues converting them into dollars and bank deposits abroad. One should not hope that after the plants close and a large labor market appears (by 1995 it is possible to anticipate 2.5 million unemployed) along with a capital market, they will return what they pilfered, acquiring fixed assets even if at mere dumping prices. No, a convenient and reliable stereotype will function: what they buy will be resold at the very first opportunity in accordance with the scheme that has formed: dollars—investments abroad.

The proposal of V. Pylypchuk to form an alliance between the National Bank and the commercial banks for the purpose of lowering the budget deficit, appears to be too risky. Not less than 100 - 120 billion rubles, so necessary for the building of those market relations in Ukraine, were accumulated last year through the sale of credit resources in a significantly smaller amount at lowered interest rates (15 - 20 percent annual interest on the average) by commercial banks and their clients (and they, of course, are not state enterprises), converted into SKV (freely convertible currency) then transferred abroad. One is not surprised by the bottlenecks at the ports and at customs processing points where export goods accumulate. In return we received thousands of

cases of lipstick, chewing gum, alcoholic drinks on the streets of Kiev and other cities. This is the "economy" we are investing in, destroying production and undermining the barely surviving coupon.

An almost sanctioned destruction of investment activity is taking place, together with aggravation of the deficit, and a drop in production. At the same time we are, for some reason, hoping to acquire immediate profits. The virus of destruction is particularly dangerous for enterprises with high specialization in production and a developed network of cooperation, which are condemned to bankruptcy. Barter, which was not known until recently, is steadily being adopted as a hedge against anticipated bankruptcies and as a means of counteracting the value added tax. The leadership of enterprises, through "naturalization" of external and internal life of enterprises, is seeking ways of preserving their, as a rule highly skilled, production collectives. One should be thankful to them for that.

It appears that such adaptability of our economic system to innovations under threat of destruction was unexpected by the "monetarists" both in the neighboring and distant countries. A key regulating element—money, began disappearing from the scheme "goods - money - goods." With all of the regressive nature of this phenomenon, in a peculiar manner it accumulates within itself the market relations of the future.

Agriculture is also on the verge of total financial bankruptcy. We no longer can either sow or harvest and are purchasing grain abroad. The program envisages purchase of five million tonnes—about a third of the need. The latest price increase pushed practically all of the people to the brink of famine. Prevention of famine in Ukraine must be an important part of the government program. There will be time to determine the factors in the famine of 1933. At present, however, it is necessary to concentrate efforts on prevention of another famine.

The nutritional level of the population is determined by consumption of animal protein. It is half that of the norm in developed countries. If one follows logic the proposals of the reformers in the power structures, it will be necessary to close most of the kolkhozes, sovkhozes, and homestead farms that were created. That would undermine the food stability of Ukraine—a necessary condition for realistic fulfillment of any program. At the same time a systematic resolution of the food, energy, and housing problems under conditions involving conversion and transition to the market with an increase in mass scale demand for consumer goods and a rise in prosperity of the people of Ukraine will, in fact, be conditional for sufficiency and, consequently, acceptability of programs, fundamentals, edicts, and the like. Such a systematic resolution is possible. Receiving the attention of the government and the president it would soon become the most important factor in stabilization of the productive forces in Ukraine.

The movement toward the market presupposes not only political consent and will. The idea of economic integration in the CIS is subjected to criticism due to inadequate political trust in partners. Russia, for instance, has its own problems and is searching for solutions suitable for it. The April referendum could substantially correct its reforms. They will have a certain effect on us as well. But the overall tendency toward integration must be preserved. That is perceptible in the actions of our delegation in Minsk. Creation of a Russo-Ukrainian energy concern for the assimilation and development of oil and gas as well as other deposits in Russia would be a positive factor, which is what we are arriving at after losing a year-and-a-half. Such proposals were made back in December 1991. But the idea is only now coming to fruition.

On the whole the variants of economic reforms undergoing preliminary study by the Cabinet of Ministers are contrary to the economic basis of the constitution of Ukraine and require broad parliamentary discussion, possibly a vote by the people who are gaining a growing understanding of the Ukrainian future which is being proposed.

It is not excluded that the political difficulty involved in realization of reforms and their disruption due to realities of the socio-political situation in Ukraine, in Russia, and in the West (new administration in the U.S.A., economic recession, etc.) will be utilized by their authors, i.e. by Rukh and its consultants, to discredit the Cabinet of Ministers headed by VPK [military-industrial complex] representative V. Kuchma (we recall his previous party affiliation), and to blame the Supreme Council which was endowed by the Cabinet of Ministers with special mandates. That process has already commenced through the information services of Russia and Ukraine, which is indirectly confirmed by its coordination.

It looks like in the near future we will not see a reliable national program ensuring guaranteed progressive development of Ukraine. It is possible that one should not even expect such a comprehensive program. It is necessary to find the principal direction and work out its program. Presumably the previously mentioned development of productive forces of Ukraine through the resolution of the food and energy problems may be that direction.

An advantageous place in the realization of such a program could be found for foreign investors as well. One tends to believe that they will find a worthy and serious role for themselves in Ukraine, understanding that a rise in the number of beggars, the hungry, the unemployed and homeless, and the poor will not lead to peace, prosperity, or confidence in tomorrow for anyone. Ukraine will find the strength to determine and understand sincere partners in the resolution of tasks inherent in national development. It will also find the strength in itself to break any leash that is attached to it.

Cabinet of Ministers' Edict on Unification of Coal Industry Enterprises

934K0281A Kiev HOLOS UKRAYINY in Ukrainian
5 Feb 93 p 3

[Edict issued by the Ukrainian Cabinet of Ministers: "On Unifying the Coal Industry Enterprises"]

[Text] In order to create the conditions for an uninterrupted delivery of fuel supplies to the national economy and the population, the Ukrainian Cabinet of Ministers hereby decrees the following:

1. It is ordained that state enterprises involved in the coal industry, those which are administered by the Ukrainian State Committee for the Coal Industry, which provide an uninterrupted engineering process of mining, processing, and transporting coal products, as well as engage in the construction and operation of facilities concerned with the coal industry and its social sphere shall be included within production associations (combines, trusts) of the coal industry. These entities shall be created, reorganized, or eliminated by the Ukrainian State Committee for the Coal Industry upon reaching agreements to do so with the Ukrainian Antimonopoly Committee. And they may leave the afore-mentioned associations only with the consent of that Committee.

Such an association (combine, trust) shall function as an integrated economic structure and shall have the rights of a juridical person.

The statute and composition of such an association (combine, trust) shall be approved and ratified by the Ukrainian State Committee for the Coal Industry upon reaching an agreement with the Ukrainian Ministry of Economics and the Ukrainian Anti-Monopoly Committee.

All other state and non-state enterprises involved in the coal industry shall create associations in accordance with Article 3 of the Ukrainian Law "On Enterprises in Ukraine."

2. Paragraphs 1, 5, and 6 of Article 3 in the Ukrainian Law "On Enterprises in Ukraine" (VIDOMOSTI VERKHOVNOY RADY URSR, 1991, No. 24, p 272) shall no longer be in effect; these paragraphs pertain to the right—as designated in the first article of the present Edict as well—of an enterprise involved in the coal industry to unify its activity on a voluntary basis, to drop out of associations, or to adopt decisions regarding their elimination.

3. This Edict shall go into effect on the day that it is published.

[Signed] L. Kuchma, prime minister of Ukraine

[Signed] A. Lobov, minister in the Ukrainian Cabinet of Ministers

Kiev, 21 January 1993
No. 10-93

Decree on Regulation of Payment for Labor of Workers Paid Out of State Budget

934K0268A Kiev PRAVDA UKRAINY in Russian
4 Feb 93 pp 1, 3

[Decree No 44 of Ukrainian Cabinet of Ministers of 25 January 1993 on Wages of Workers of Budget-Carried Establishments and Organizations Based on Standard Wage Scale, signed by Prime Minister L. Kuchma of Ukraine and Minister A. Lobov of Ukrainian Cabinet of Ministers, and four appendices signed by Minister A. Lobov]

[Text] In order to regulate the wages of workers of budget-carried establishments and organizations in line with the complexity of their work, their qualifications, their length of service, and their workload, and to create a mechanism for the maintenance of permanent sectorial wage correlations, the Ukrainian Cabinet of Ministers hereby decrees that:

1. The following are hereby established:

a standard scale of pay grades and coefficients for the workers of budget-carried establishments and organizations in accordance with Appendix 1;

the categorization of the positions of administrative personnel and specialists of budget-carried establishments and organizations by pay grades of the Standard Wage Scale in accordance with Appendix 2;

the categorization of the positions of specialists and employees common to all budget-carried establishments and organizations by pay grades of the Standard Wage Scale in accordance with Appendix 3;

the categorization of the worker occupations common to all budget-carried establishments and organizations by pay grades of the Standard Wage Scale in accordance with Appendix 4.

2. Within a month, the Ministry of Education, the Ministry of Public Health, the Ministry for the Social Protection of the Population, the Ministry of Culture, the Ministry of Agriculture and Food, the Ministry of Youth Affairs and Sports, the State Committee for Hydrometeorology, the State Committee for Fishing and the Fish Industry, the Academy of Sciences, and ministries and departments with scientific research organizations will compile charts of positions and occupations corresponding to the different pay grades of the Standard Wage Scale in line with appendices 2-4, substantiate them by means of consultations with the Ministry of Labor and Ministry of Finance, and distribute them to establishments and organizations under their jurisdiction.

The wages (or salaries) of workers in the different pay grades of the Standard Wage Scale will be calculated with a view to their skill categories and length of service if wage conditions provide for this.

The salary rates (or wage rates) of the workers of budget-carried establishments and organizations will be set by administrators with a view to job requirements and the pay grades of workers meeting these requirements by means of skill tests or wage reviews.

3. The institution of the Standard Wage Scale will not change existing procedures for calculating wage supplements, additional payments, bonuses, and other types of incentives.

The wages (or salaries) of workers will be reviewed by the administrators of budget-carried establishments and organizations following changes in the minimum wage in accordance with existing legislation.

4. The salaries of deputy administrators of establishments and organizations and deputy administrators of the structural subdivisions of these establishments and organizations will be 5-15 percent below the salaries of the corresponding administrators.

5. Within two months, the Ministry of Labor will draft and approve job requirements for specialist and employee positions and workers occupations common to all budget-carried establishments and organizations.

Within a month, the Ministry of Education, the Ministry of Public Health, the Ministry for the Social Protection of the Population, the Ministry of Culture, the Ministry of Agriculture and Food, the Ministry of Youth Affairs and Sports, the State Committee for Hydrometeorology, the State Committee for Fishing and the Fish Industry, the Academy of Sciences, and ministries and departments with scientific research organizations will draft skill requirements for other categories of workers of budget-carried establishments and organizations and substantiate them by means of consultations with the Ministry of Labor.

6. If the wages (or salaries), including supplements and benefits, established for workers in accordance with this decree are lower than existing wages (or salaries), including supplements and benefits, these workers will retain their existing salary during the period of their employment in their current positions in their current establishments (or organizations).

7. The categorization of positions and occupations in budget-carried establishments and organizations not covered in Appendix 2 by pay grades of the Standard Wage Scale will be conducted by the Ministry of Labor following consultations with the Ministry of Finance on the recommendations of the appropriate ministries and departments.

8. The Ministry of Finance will determine the procedure and sources of financing for the institution of the Standard Wage Scale.

[Signed] L. Kuchma, prime minister of Ukraine
A. Lobov, minister of Ukrainian Cabinet of Ministers

Appendix 1

Standard Scale of Pay Grades and Coefficients for Workers of Budget-Carried Establishments and Organizations

Pay grades	Wage coefficients
1	1.0
2	1.12
3	1.25
4	1.39
5	1.54
6	1.70
7	1.87
8	2.06
9	2.26
10	2.49
11	2.74
12	3.01
13	3.31
14	3.64
15	4.01
16	4.41
17	4.85
18	5.34
19	5.87
20	6.46
21	7.10
22	7.81
23	8.59
24	9.45
25	10.30
26	11.15
27	12.00
28	12.90
29	13.80

Note: 1. The wage (or salary) for the first pay grade will be the state-guaranteed minimum wage.

2. Wages (or salaries) for the other pay grades of the Standard Wage Scale will be calculated by multiplying the wage (or salary) rate of the first grade by the appropriate wage coefficients.

[Signed] A. Lobov, minister of Ukrainian Cabinet of Ministers

Appendix 2

Categorization of Administrative Personnel and Specialists of Budget-Carried Establishments and Organizations by Pay Grades of Standard Wage Scale

Categories and positions	Range of pay grades
I. HIGHER ACADEMIC INSTITUTIONS	
Administrative staff	
Administrators of higher academic institutions	22-28
Branch directors	19-24
Administrators of main subdivisions, chief engineers, academic secretaries, chief bookkeepers	16-20
Administrators of other subdivisions, assistant rectors	12-16
Faculty	
Department heads, instructors with academic titles and degrees	18-26
Instructors with academic degrees but no academic titles	17-23
Instructors with no academic titles or degrees	14-19
II. SCIENTIFIC ESTABLISHMENTS AND ORGANIZATIONS	
Administrative personnel of research establishments and organizations	
Administrators of research establishments and organizations and their branches:	
Academy of Sciences	26-29
Sectorial	17-27
Administrators of main research subdivisions, academic secretaries of institutes (or branches):	
Academy of Sciences	17-25
Sectorial	15-23
Chief bookkeepers	11-18
Administrators of other subdivisions	11-18
Administrative personnel of other scientific establishments and organizations	
Directors (heads or chiefs) and chief engineers of establishments and organizations	17-22
Chief project engineers (designers, technologists, architects)	16-20
Administrators of main structural subdivisions	15-20
Chief specialists in main divisions (departments, laboratories, repair shops), chief bookkeepers	16-19
Administrators of other subdivisions	11-18
Scientific personnel	
Scientific and junior scientific personnel of scientific establishments and organizations:	
Academy of Sciences	13-20
Sectorial	12-18
Chief, lead, and senior scientific personnel of scientific establishments and organizations:	
Academy of Sciences	15-25
Sectorial	14-22
III. TEACHING METHODS (PROCEDURES) OFFICES AND INSTITUTES OF ADVANCED TRAINING, IMPROVEMENT OF SKILLS, AND RETRAINING OF ADMINISTRATIVE PERSONNEL	
Directors (heads) of establishments	16-23
Heads of academic-production (or academic) workshop, methods analysts in charge of laboratories (or offices)	15-17
IV. PUBLIC HEALTH CARE	
Administrative personnel	
Administrators (chief physicians, directors, chiefs, or heads) of public health and social welfare establishments	17-22

Categorization of Administrative Personnel and Specialists of Budget-Carried Establishments and Organizations by Pay Grades of Standard Wage Scale (Continued)

Categories and positions	Range of pay grades
Directors (or chiefs) of rest homes (or artists' retirement homes), boarding houses, camps, or clinics; chiefs (or heads) of divisions, services, and other subdivisions; chief specialists of public health and social welfare establishments and nursing services	9-14
Heads of pharmaceutical establishments	16-20
Heads of pharmacies in preventive care and treatment establishments or social assistance divisions; head nurses	14-19
Heads of main divisions of pharmaceutical establishments	12-18
Chiefs of economic-planning and other divisions of public health establishments and pharmaceutical establishments, heads of pharmaceutical centers in pharmaceutical establishments	9-15
Chief bookkeepers:	
in public health and social welfare establishments	13-18
in pharmaceutical establishments	11-17
Specialists	
Surgeons and operating-room endoscopists; anesthesiologists	16-21
Physicians in other specialties, pharmacists, medical interns, pharmaceutical interns	14-19
Specialists with secondary medical education, social workers	10-16
Junior pharmacists, optical kiosk sales personnel	9-11
Other medical personnel	
Junior medical personnel, auxiliary personnel in pharmaceutical establishments	7-10
V. EDUCATION	
Administrative personnel	
Directors (chiefs or heads) of general educational, secondary specialized, vocational and technical, or interscholastic establishments of all types, classes, and categories, and of special and other establishments	14-20
Heads of pre-school establishments and directors of extracurricular establishments and art schools	14-17
Department heads in all types of academic institutions	14-18
Administrators of physical education and advance military training	11-15
Heads of divisions, laboratories, and offices of extracurricular establishments; heads of production training divisions in secondary schools	12-15
Administrators of groups, sections, studios, and clubs and workers engaged in these forms of extracurricular moral and academic training	9-13
Pedagogical personnel	
Teachers, instructors, tutors, and other pedagogical personnel of all specialties and all establishments of public education, enterprises, and organizations	10-18
Specialists	
Production training foremen and senior foremen, methods analysts	11-17
Music and art directors of extracurricular (or pre-school) establishments, physical culture instructors of pre-school establishments	12-16
VI. THEATERS, CIRCUSES, MUSIC AND DANCE COMPANIES, CONCERT ORGANIZATIONS	
Administrative personnel	
General directors (or directors) of establishments (or organizations); directors of various fields of activity; chief engineers	17-20
Chief bookkeepers	16-19
Chiefs of divisions, services, and shops in main fields of activity, main administrators	14-15
Chiefs of other divisions, laboratories, bureaus, sections, shifts, and workshops	10-13
Artistic Personnel	
Artistic administrators; chief producers, choreographers, choir directors, conductors, artists; stage managers, ballet stage managers, art display managers, conductors	17-20

Categorization of Administrative Personnel and Specialists of Budget-Carried Establishments and Organizations by Pay Grades of Standard Wage Scale (Continued)

Categories and positions	Range of pay grades
Administrators of literature and drama groups, heads of performance arts and music groups or troupes; assistant artistic administrators (chief specialists), concert masters, coaches, specialists in special fields, lecturers, and prompters	8-15
Performers	
Vocalists (soloists), ballet dancers and actors; members of symphonic, variety-symphonic, chamber, folk instrument, and wind instrument orchestras; members of song and dance troupes and musical, choral, and dance companies; vocalists (opera and chamber music); soloist musicians of concert organizations	12-20
Circus performers of all types; other performers of all types in theater, music and dance companies, and concert organizations; auxiliary performers	7-18
Personnel of concert, theater, and athletic ticket offices	
Directors	11-13
Division chiefs	8-11
VII. CULTURAL-EDUCATIONAL AND ARCHIVAL ESTABLISHMENTS (LIBRARIES, CENTRALIZED LIBRARY NETWORKS, MUSEUMS, GALLERIES, EXHIBITS, SALONS, CULTURE AND LEISURE CENTERS AND CLUBS, FOLK ART CENTERS, ARCHIVES, AND ARCHIVAL ESTABLISHMENTS)	
Administrative personnel	
Directors (or heads) of establishments (or institutions), chief engineers, bookkeepers, curators, artists, architects, choir directors, ballet masters, producers, and directors; heads of branches, academic secretaries	12-19
Heads of structural subdivisions (departments, centers, laboratories, workshops, archival depositories, sectors, and other services); chief specialists of libraries and archives and chief specialists in main fields of activity	8-17
Administrators of groups, music groups of discotheques, amateur art associations, hobby clubs	8-12
Specialists and other personnel	
Scientific associates, specialists, and other personnel	6-15
VIII. PHYSICAL CULTURE AND SPORTS	
Administrative personnel	
Presidents of sports federations, chairmen of sports clubs in different sports, chief, head, and senior coaches, team managers	14-23
Directors of physical culture and sports facilities and sports centers, directors (or heads) of sports clubs and dog training clubs; chief engineers	11-19
Directors of athletic schools of all types	11-19
Directors of olympic reserve and physical culture institutes	14-20
Chief bookkeepers	10-18
Heads of structural subdivisions and chief specialists	5-17
Specialists	
Coach-instructors, coaches, training supervisors, other specialists	5-18
Athletic trainers, staff team coaches	8-23
IX. STATE VETERINARY MEDICINE	
Administrative personnel	
Chiefs (or directors) of Central State Laboratory of Veterinary Medicine, oblast and Kiev and Sevastopol municipal administrations of state veterinary medicine, and local branches of main administration	16-21
Chiefs (or directors) of divisions of main administration; transportation and state border veterinary medical services; state veterinary medical services of railway administrations; regional, inter-oblast, oblast, and radiological laboratories of state veterinary medicine; regional enterprises (or hospitals) of state veterinary medicine with administrative status; oblast enterprises (or hospitals) of state veterinary medicine; chief specialists	15-19
Chiefs (directors or heads) of structural subdivisions, divisions, and agencies; district hospitals, sections, centers, and laboratories of veterinary inspection service; regional, interregional, municipal laboratories of state veterinary medicine; municipal enterprises (or hospitals) of veterinary medicine; pharmacies; emergency treatment facilities	14-18

Categorization of Administrative Personnel and Specialists of Budget-Carried Establishments and Organizations by Pay Grades of Standard Wage Scale (Continued)

Categories and positions	Range of pay grades
Specialists	
Chief specialists, veterinarians, other specialists, veterinary assistants, laboratory assistants	7-17
X. SERVICES FOR AGROCHEMICAL AND RADIOLOGICAL MONITORING, QUARANTINE, AND PROTECTION OF AGRICULTURAL CROPS FROM PESTS AND DISEASES, SEED AND PLANT CONTROL, AGRICULTURAL STRAIN TESTING, AND LABOR STANDARDS REGULATION	
Directors (or chiefs) of State Center for Agricultural Strain Quality Inspection, Central Seed Control Station, state seed stations; chiefs (or chairmen) of state plant protection stations, plant quarantine boards, seed, fruit and vine inspection boards, agricultural strain testing commissions; chiefs of fumigation brigades; heads of state and regional (zone or oblast) chemicalization research and project planning stations, plant protection stations, plant quarantine boards, seed, vine and fruit inspection boards; inspectors of state agricultural strain testing commissions; heads of State Diagnostic and Forecasting Laboratory, product quality inspection boards, standards testing stations	16-19
Heads (or chiefs) of divisions and of specialized and production-control laboratories; chiefs of expeditions, inspection boards, stations, detachments, and centers, chief specialists of state plant protection and quarantine services, chief seed quality control and strain testing specialists, chief specialists of agrochemical and radiological services	14-18
Chiefs of interregional plant protection stations, state plant quarantine boards and seed inspection boards; heads of regional and municipal plant protection and quarantine services, strain testing and seed inspection boards; specialists of interregional and municipal plant protection and quarantine services and seed quality control and strain testing services, chiefs of sectors of standards testing stations	13-17
Specialists	
State inspectors and inspectors of all services, specialists of all categories	7-16
XI. ESTABLISHMENTS AND ORGANIZATIONS OF HYDROMETEOROLOGICAL SERVICE	
Directors (or chiefs) of state hydrometeorological centers, state aerometeorological centers, state environmental observation centers, oblast hydrometeorological centers	16-21
Directors of hydrometeorological observatories; chiefs of aerometeorological stations, divisions (or laboratories) of state hydrometeorological centers, divisions (or laboratories) of oblast hydrometeorological centers, sectors of state centers, hydrometeorological bureaus	14-19
Chiefs of special hydrometeorological stations, aerometeorological stations, meteorological stations	10-17
Chief specialists and other specialists	7-17
XII. FISHING ESTABLISHMENTS AND ORGANIZATIONS	
I. Fish Resource Reproduction and Protection and Fishing Regulation Organizations	
Chiefs of administrations (or complexes)	16-20
General directors (or directors) of fish hatcheries, acclimatization-production stations, chief engineers, chief bookkeepers	15-18
Chiefs of main structural subdivisions, fleet chiefs, fleet captains, chief specialists, heads of laboratories	13-16
Chiefs of other divisions	10-15
Specialists and fish breeders	11-13
II. State Fish Resource Protection Inspection Boards	
Senior state inspectors (or inspection board chiefs), chiefs of spawning bed management expeditions and of ichthyological and exploratory project groups	13-17
State inspectors, chiefs of fish conservation and monitoring stations (or centers); junior state inspectors	10-16
III. Fishing Boats of Maritime and River Fleets	
Crews of maritime fleet	12-15
Crews of river fleet	10-14
XIII. CENTRALIZED BOOKKEEPING SERVICES OF AGENCIES OF STATE EXECUTIVE BRANCH AND OTHER ESTABLISHMENTS AND ORGANIZATIONS	
I. Ministries and departments of Ukraine and Crimean Republic:	
Chief bookkeepers	17-20
Accounting group supervisors	16-18

Categorization of Administrative Personnel and Specialists of Budget-Carried Establishments and Organizations by Pay Grades of Standard Wage Scale (Continued)

Categories and positions	Range of pay grades
2. Oblast and Kiev and Sevastopol municipal state administrations and their local branches and divisions:	
a) oblasts of no group, city of Kiev	
Chief bookkeepers	18-20
Accounting group supervisors	16-18
b) oblasts of groups 1 and 2, city of Sevastopol	
Chief bookkeepers	17-19
Accounting group supervisors	16-17
3. Executive committees of city soviets of people's deputies and their local branches and divisions:	
a) cities with population of over 1 million	
Chief bookkeepers	18-19
Accounting group supervisors	15-16
b) cities of no group	
Chief bookkeepers	16-18
Accounting group supervisors	15-16
c) cities of group 1	
Chief bookkeepers	16-17
Accounting group supervisors	15-16
d) cities of group 2	
Chief bookkeepers	15-17
Accounting group supervisors	14-15
e) cities of group 3	
Chief bookkeepers	15-16
Accounting group supervisors	14-15
4. Rayon and city administrations and executive committees of rayon soviets of people's deputies and their local branches and divisions:	
Chief bookkeepers	15-17
Accounting group supervisors	14-16
5. Executive committees of city (cities not assigned to groups according to pay grades), settlement, and rural soviets of people's deputies:	
Chief bookkeepers	14-17
Accounting group supervisors	13-15
6. State veterinary medicine:	
a) Crimean Republic, oblasts, and cities of Kiev and Sevastopol	
Chief bookkeepers	14-18
b) state veterinary service in rayons	
Chief bookkeepers	13-17
7. Establishments of public health and social welfare, culture, and archives:	
Chief bookkeepers	13-18
Accounting group supervisors	12-15

[Signed] A. Lobov, minister of Ukrainian Cabinet of Ministers

Appendix 3

Categorization of Specialist and Employee Positions Common to All Budget-Carried Establishments and Organizations by Pay Grades of Standard Wage Scale

Title of position	Range of pay grades
Chief engineers in design, technology, project planning, electronics, programming, and others; chief architects, mathematicians, graphic artists (or designers), economists, legal consultants, psychologists, sociologists, bookkeepers, account auditors, and others	11-16
Engineers in design, technology, project planning, electronics, mechanics, power engineering, programming, and other specialties; specialists: architects, mathematicians, graphic artists (or designers), economists, sociologists, psychologists, bookkeepers, account auditors, legal consultants, statisticians, senior laboratory assistants with a higher education, foremen	9-15
Technicians in all fields	7-10
Chiefs of offices, central warehouses (or warehouses), typing bureaus, storage facilities, admission bureaus, copy and duplication bureaus, photo laboratories, expeditions, and farms	7-11
Senior merchandisers, cashiers, inspectors, timekeepers, stenographers of the first category	5-9
Other employees: merchandisers, expeditors, secretaries of training units, cashiers, inspectors, supply agents, office clerks, file custodians, timekeepers, copy machine operators, draftsmen, accounting clerks, typists (of all categories), secretary-stenographers, secretary-typists, and secretaries	4-8

[Signed] A. Lobov, minister of Ukrainian Cabinet of Ministers

Appendix 4

Categorization of Worker Occupations Common to All Budget-Carried Establishments and Organizations by Pay Grades of Standard Wage Scale

Job title	Range of pay grades
1. Workers performing unskilled or auxiliary labor: watchmen, locker-room and bathroom attendants, messengers, elevator operators, stokers, auxiliary (transport) workers, loaders, floor polishers, gardeners, guards, window washers, and janitors of production and office buildings and grounds; doormen and others	1-4
2. Semiskilled workers: dry cleaners and uniform attendants; drivers of electric carts and small trucks, operators of power machinery; fumigators, hunters, ticket office cashiers (including senior cashiers), equipment monitors, hydraulic engineering equipment operator and others	3-7
3. Workers performing skilled (or specialized) labor in special fields: electrical fitters, mechanic-fitters, fitters, electricians, mechanics, adjusters, electrical engineers; operators of microfilm and copy machines, copy and duplicating machines, and computers; herpetologists, construction and other workers, weathermen	4-9
4. Workers performing highly skilled (particularly complex and important) labor—repair and adjustment of electronic and other particularly complex equipment	7-11

[Signed] A. Lobov, minister of Ukrainian Cabinet of Ministers

Decree on Fixed Wages, Official Salaries of Workers Paid from State Budget

934K0268B Kiev PRAVDA UKRAINY in Russian
4 Feb 93 p 3

[Decree No 45 of Ukrainian Cabinet of Ministers of 25 January 1993 on Procedure for Determining Wage and Salary Rates of Workers of Budget-Carried Establishments and Organizations, signed by Prime Minister L. Kuchma of Ukraine and Minister A. Lobov of Ukrainian Cabinet of Ministers, and two appendices signed by Minister A. Lobov]

[Text] In connection with the rise of the minimum wage to 4,600 Ukrainian karbovantsy a month starting on 1 January 1993, and in view of the limited growth of the

average wage at state enterprises, the Ukrainian Cabinet of Ministers hereby decrees that:

1. Wage and salary rates will be raised in the following manner as of 1 January 1993:

according to the procedure in Appendix 1 in the case of establishments and organizations where wages are calculated on the basis of the Standard Wage Scale with a minimum wage of 2,300 Ukrainian karbovantsy a month;

according to the procedure in Appendix 2 in the case of establishments and organizations where wages are calculated on the basis of other standards;

by 100 percent, but by no more than 57.5 times the wages in 1990, for enterprises, establishments, and organizations

where operations are financed either completely or partially with budget funds and where wage and salary rates are established according to the wage conditions of self-supporting enterprises and organizations.

2. The Ministry of Finance will take these procedures for calculating the wages and salaries of the workers of

budget-carried establishments and organizations into account when the sources of financing for these expenses are being determined.

[Signed] L. Kuchma, prime minister of Ukraine

[Signed] A. Lobov, minister of Ukrainian Cabinet of Ministers

Appendix 1

Coefficients of Rise in Wage and Salary Rates of Workers of Budget-Carried Establishments and Organizations Where Wages Are Calculated on the Basis of the Standard Wage Scale

Category	Wage coefficient	Coefficient of wage and salary increase
1	1.00	2.00
2	1.12	2.00
3	1.25	2.00
4	1.39	2.00
5	1.54	2.00
6	1.70	2.00
7	1.87	2.00
8	2.06	2.00
9	2.26	2.00
10	2.49	2.00
11	2.74	2.00
12	3.01	2.00
13	3.31	2.00
14	3.64	2.00
15	4.01	1.95
16	4.41	1.95
17	4.85	1.95
18	5.34	1.95
19	5.87	1.95
20	6.46	1.93
21	7.10	1.91
22	7.81	1.85
23	8.59	1.80
24	9.45	1.73
25	10.30	1.70
26	11.15	1.66
27	12.00	1.63
28	12.90	1.60
29	13.80	1.57

Note: The wages and salaries calculated with the aid of the appropriate coefficients of the Standard Wage Scale with a minimum wage of 2,300 karbovantsy a month will be multiplied by the corresponding coefficients in column 3.

[Signed] A. Lobov, minister of Ukrainian Cabinet of Ministers

Appendix 2

Coefficients of Rise in Wage and Salary Rates of Workers of Budget-Carried Establishments and Organizations Not Covered by the Wage Conditions of the Standard Wage Scale

Portions of salary measured in multiples of minimum wage of 2,300 karbovantsy prior to 1 Jan 93	Coefficient
From 1 to 3 (inclusive)	2.0
From 4 to 6 (inclusive)	1.8
From 7 to 10 (inclusive)	1.5
Over 10	1.1

Note: 1. To calculate the exact amount of the salary, the salary prior to 1 January 1993 will be divided into portions corresponding to multiples of the minimum wage of 2,300 karbovantsy (3, 3, 4, and the remainder).

2. Each portion of the salary will be multiplied by the corresponding coefficient and the results will be added up.

[Signed] A. Lobov, minister of Ukrainian Cabinet of Ministers

Agricultural Problems, Prospects Discussed With Cabinet of Ministers

934K0309A Kiev SILSKI VISTI in Ukrainian
16 Dec 92 p 2

[Article by B. Polishchuk, editor, APK Section, SILSKI VISTI: "Let's Process Manure and Turn It Into Gas: Is It proper To Sin Against the Land? Thoughts Following a Meeting Between Agrarians and the Cabinet of Ministers"]

[Text] Nowadays agriculture resembles a hard-driven horse—one which has been kept half-starved for a long time, been "encouraged" too much with a whip, and which has to pull a cart that has been overloaded. Such things happen in life. Various farmers evaluate the situation in various ways. Some immediately grab a whip and begin to lash the unfortunate creature. Others resort to an ingenious trick: They dangle a small bag of oats a certain distance in front of the horse, thereby inducing it to pull the cart. There are also those who feed the horse, undermine the road, take too much off the cart, and get stuck again.

It is hard to say to which farmer we can compare ourselves. There is no state program for extricating agriculture from its crisis. As of now, we are living on a day-to-day basis. It has been said that—because of the difficulties with animal feeds and hay, as well as with regard to the fuel situation—we could hold out to the end of the year, and—in some places—until the spring. But after that—we'll see.... A government decree has allocated somewhat more than 260 billion karbovantsy for the rural areas. That will provide support and impetus to a certain extent. But, on the whole, such one-time, ad hoc infusions will not solve the problems which hold the rural areas in a powerful vice. How are they to go on living? A more or less clear answer to this question was

expected to be received by the president's deputy-representatives in those oblasts where agrarian problems are evident, as well as by the chiefs of the agricultural and foodstuff administrations of the oblast state administrations at a meeting in the Cabinet of Ministers with First Vice-Premier I. Yukhnovskyy, along with Vice-Premiers Yu. Ioffe, V. Pynzenyk, and V. Demyanov. And they also wanted these vice-premiers to listen to their thoughts regarding ways to extricate ourselves from the crisis and to formulate an agrarian policy.

The difficult situation evoked a difficult and serious discussion. Unfortunately, the vice-premiers did not clearly explain the situation with regard to fuel. Its miserly status will have to last until the end of the year; and its prospects for the beginning of next year are also cloudy. The following statement was made: "Everything is being done to correct this situation." For the time being, no credit-finance relief for farms is foreseen. In our utterly free market the commercial banking system "contols the ball." This system has its own interest rates, and it—to put it mildly—has scorned and mocked the misfortunes of the rural areas; they extract interest rates from them for loans even if it were from their own fathers. And during the coming year it is expected that they will charge interest rates of about 80 percent for the rural inhabitants. And there is no way to control such rapacious extortion because the government is powerless in this matter. The commercial banking structures are already issuing money in Ukraine, even though this is strictly within the jurisdiction of the government and the National Bank.

The following dispute arose at the meeting in the Cabinet of Ministers: Does the government—after being granted its special powers—have an influence on the National Bank or not? And this question remained an open one: The bank's head is a member of the government, but the Cabinet of Ministers cannot influence the bank. That is the way it was stated by V. Pynzenyk.

Those persons attending the meeting were greatly alerted and concerned by his position with regard to the freeing up of prices on agricultural products.

"This means the final demise and burial of the village," A. Chepurnyy, head of the Ukrainian Supreme Council's Permanent Commission on Agrarian Affairs, declared in response. "Nobody will buy these products at such prices because the people are living in a state of indigence. This will lead to a decline of various sectors and their paralysis."

And the agrarians were greatly amazed at what one of them called the "student-type lecture" which was delivered by First Vice-Premier I. Yukhnovskyy. For many long minutes Ihor Rafayilovych coursed like a professor through the whole range of topics within the agroindustrial complex: finances, grain, feed-production, equipment, investments, and many, many other things. He designated the following as the number one problem for the rural areas at present: making profitable use of the

waste products of agricultural production. To be more specific, processing manure and other waste products and turning them into gas! He said that directives had already been issued to make the appropriate equipment. And he spoke very sternly about taxes on land. Land appraisals must be conducted quickly (Could this possibly be done as fast as he would like?!), and such taxes assessed as, let's say, the average farmer could pay with great effort, and the poor creature would break down completely.

Nor was it surprising that—after this statement—several participants in the discussion quickly and openly made declarations such as the following: "Things are rapidly deteriorating, and in the government people are stooping to sin against the land; the problems and misfortunes of the rural areas are not welcomed in high places. If you don't know something, talk with people."

And the agrarians cited the basic, elementary things that they had come to talk about. They want to have negotiations with the state on this matter; they are eager and willing to perform on state agreements, but they want to do this under mutually acceptable conditions. Under such an agreement the state would have to provide credit on favorable terms, rather than at an 80-percent interest rate. The state has to busy itself with providing protection for the young "sprouts," along with the fuel problem, and not just in the most painful places. The agrarians want to know even now at least the approximate purchase prices for products in 1993 so that they can be correctly guided in setting up their production structures and calculate their possibilities. These prices must be flexible, and—in the event of inflation—they should be indexed. Finally, there has to be price parity between industrial and agricultural products. It's high time now that we place restrictions or limits on the amounts by which speculators, swindlers, and all manner of state-commercial structures can enrich themselves off the misfortunes of the rural areas. At the same time that the rural areas had become weakened from a lack of fuel and—in some places—the harvest remained under the snow, 8 million tonnes of petroleum products were exported from Ukraine! At the very same time that there was a shortage of mineral fertilizers, export sales of carbamide [urea] were brisk; 1 million tonnes of it are produced here in our country, but licenses to export 3 million tonnes of it were issued. Who issued them? Who robbed us of our own nourishment?

If the government cannot assume the responsibility for providing the above-mentioned resources, at least let it say so honestly—the agrarians declared—and let them save themselves as best they can, without binding their hands with licenses. The state made an agreement; products remained in its possession—and it is its business how it disposes of them. This matter has to be decided in the localities by the ministerial authorities. Barter is a bad business, but what is to be done if the state is incapable of acting?

We must put an end to the privatization of the processing enterprises, the agrarians are convinced. And we must adopt improved, effective legislation, for the present-day laws are not in the interests of rural people. It's high time that we restored order and regulated the monopolistic processors, who are dictating their own wishes to the rural people; and we must make such processors subordinate to a single management authority—the Ministry of Agricultural Production.

And so, the rural areas are not asking for privileges. They want to do their work and feed the country. It's obvious from everything that the misfortunes of these areas have gotten through to Vice-Premier V. Demyanov, who is entrusted with the task of handling agrarian matters. One can only be concerned and anxious as to whether his concern is also shared by Yu. Karasyk, the new minister of agriculture, and whether the government and the parliament will manifest the necessary understanding and support.

One of the participants in the discussion, P. Makhovykov—chief of the Agricultural and Foodstuff Administration from the Volynya Oblast Administration—seriously stated the following at the conclusion of his speech:

"Now I'll return to my own locality, and what will I tell the people there? Such a situation has never yet been encountered."

The truth must be told. The situation is very difficult and serious. We must sow the winter crops and plow a million hectares before the winter sets in. Quite a few areas will have to be resown in wheat. The milk yield has not fallen so low in many years: We are obtaining 3.8 kilograms of milk per cow, and in certain oblasts—only 1.5 kilograms. Many farms lack the fuel to transport milk to the dairy or to bring feeds back to the livestock farm. Unfortunately, there are quite a few people in the government and parliamentary structures who—through their own incompetence—do not realize the seriousness of the situation and who see a way out of it in half-baked endeavors aimed at reforming production: distributing shares, privatization, and farming without a final reorientation of a portion of the defense complex, as well as a number of other undertakings directed at satisfying the needs of the rural areas. Furthermore, our country produces virtually no herbicides or toxic chemical compounds; and two-thirds of our farm equipment is imported from Russia. We are chock-full of processing industries. Without them Ukraine would lack a constructive local foundation, and the village would not last. Wherever you turn seeking chemicals, fuel, or equipment—there is one stipulation or condition: Give us sugar, bread, milk, meat, or vegetable oil. But we have practically run dry of such items.

We must all pitch in to help out in this situation: Parliament, the government, and every working person in the localities must strive to prevent us from becoming more deeply enmired. There is no more important task

for our state these days. Let's remind ourselves of one final truth: With the help of the whip or even the bag of oats attached up front of the horse, the cart will not roll forward. So let's key on that third farmer mentioned above.

INTERNATIONAL AFFAIRS

Utility of Security Guaranty Doubted

934K0190A Kiev NARODNA HAZETA in Ukrainian
No 4, Jan 93 pp 4-5

[Article by Oleksiy Redchenko: "I'm Your Wing, You're My Wing, and We Couldn't Be Happier..."]

[Text] *What is troubling is not so much the possibility that the Supreme Council of Ukraine might hastily ratify the Start I agreement and the Lisbon protocol... What is disturbing is the emphasis on foreign factors in ensuring the security of the Ukrainian state that is becoming increasingly more pronounced in the President's policy. Is this not a symptom of that chronic national disease that V. Lypynskyy described—to look always for a defender on the outside? In the past, we have relied on Warsaw, on Moscow, on the sultan... Now it's on Washington... At a press conference last week, Leonid Kravchuk aptly described those who insist on signing the CIS charter: "These forces are once again dragging Ukraine under a foreign wing, a wing under which she has already suffered unprecedented repressions, a terrible famine, and the destruction of her culture and language..." Very true. But the President is doing the very same thing in the sphere of nuclear policy—he is dragging Ukraine under the nuclear "wing" of this same Russia and, as additional insurance, also counting on a second "wing"—that of the United States. Is it justified to regard this as the best policy? It is unfortunate, but in this respect Ukraine reminds one of a small child diligently learning to behave as two "big uncles" want it to behave...*

In an exchange last year with Mr. Yevhen Shtendera, the editor in chief of LITOPYS UPA, who lives in the United States, I asked why the West had reacted in such extreme fashion to Ukraine's having temporarily suspended the removal of tactical nuclear weapons to Russia? Are they afraid of us?... My interlocutor answered that the West does not like the change in our position, because this is a sign of unpredictability in the country's policy. The West likes stability...

In other words, the West values peace. Thus what Ukraine is now doing on its way to unilateral nuclear disarmament is not so much for the sake of the peace of Ukrainians as it is for the sake of the peace of a sated West, whose general public never expected the birth in Europe at the end of the 20th century of a state as large in territory as France and, consequently, additional worries and trouble for the West as a result of the "unpredictability" of this state's policies.

Many in Ukraine now recognize the obvious errancy of the position on our "non-nuclear status," whose amorphous and unspecific nature in the Declaration on State Sovereignty gave many interested countries grounds to expect us to disarm unilaterally with lightning speed. Let us admit that we, who are not very experienced in world politics, have been nicely "caught": having said "a," we now have to say "b," and so on. To resist, but to do it anyway. Even though we should have said honestly long ago that we made a mistake and that we can dismantle the last Ukrainian nuclear-armed missile only when all countries—without exception!—that are officially recognized as nuclear powers do the same.

In light of the capers of Russia's Supreme Soviet with respect to the Crimea and Sevastopol, the events of last year, as well as those of this year, offer us serious moral grounds on which to correct this mistake and proclaim *Ukraine's temporary nuclear status until it obtains genuine security guarantees*. In the first place, this formulation would allow us independently, without the Americans or Russians and without handing over our missiles, to define what we mean by "genuine guarantees" and thus enable us to effectively influence events as they affect Ukraine, and, second, this step would be understandable at least to that segment of Western politicians, who comprehend the nature of the Russian monster's aggressiveness and know the ways to curb it.

However, our President continually talks about the necessity of "ridding ourselves of the nuclear burden," which is very reminiscent of the position of the "peace-loving" leaders of the Ukrainian National Republic (UNR), as exemplified by V. Vynnychenko, who on the eve of Muravyov's Muscovite march on Kharkiv and Kiev pathetically proclaimed: "It is not an army of our own that we need, but the destruction of all standing armies!"...

"We must give our parliament serious arguments so that it will ratify the Start I agreement," said President Kravchuk at the press conference. "The first argument is a guarantee of our security by Russia and the United States, who are parties to Start I. The second is based on the amount of compensation paid for the nuclear fuel in the warheads and the promised aid to destroy the nuclear weapons. The third argument involves the practical means for destroying these arms... I expect that after hearing these arguments, the Supreme Council will not refuse to ratify the agreement."

The key issue in this list is, of course, the question of guarantees.

"Guarantees"...Just what are they? "This entails a wide range of issues," responds the President, "especially those pertaining to the inviolability of our borders, our territorial integrity, appropriate actions taken by the guarantor—through the UN or the Security Council—in the event of an attack on Ukraine..."

Might it not be fitting to recall the lessons of Munich-38, when the states that were to have defended Czechoslovakia left it in the lurch? Is this not a classic example of a situation when in a critical international situation the interests of the weaker party are sacrificed to the interests of the powerful?

You will say that the world has changed. In that case, how are we to interpret the present double diplomacy of the United States (our probable guarantor)? The United States is strictly implementing UN resolutions with respect to Iraq, but when it is a matter of Israel removing its forces from the occupied Arab territories in accordance with the resolutions of this same United Nations, the United States confines itself to ambiguous statements. Thus, the world has not changed in the most important respects—the interests of the powerful come first. And the level of U.S. respect for those resolutions is directly dependent on its own interests. Let us also not forget that there are innumerable ways of walking away from any obligations assumed towards us.

For example, the West may, at the request of Russia, link the implementation of our security guarantees to Ukraine's observance of "human rights"—first and foremost, those of the so-called "Russian-speaking population," whose rights, and especially its preeminent "right"—to block the rebirth of the Ukrainian nation on its own ethnic territory—Moscow will zealously defend from the UN rostrum...

The United States will not quarrel seriously with Moscow if it should again swallow up our land—the powerful have plenty of common interests. After all, the United States already had an opportunity to give a practical demonstration of its devotion to the "ideals of democracy," when it recognized the fascist regime of the USSR in 1933, though it was well aware of what was happening in the western part of the Muscovite empire and knew the source of the cheap bread that had appeared in Europe.

Thus, while paying tribute to the perfection and democratism of the 200-year-old state institutions of the United States, let us not forget that in international affairs, "American-style" democracy will not necessarily coincide with the national interests of Ukrainians...

A redistribution of spheres of influence is currently taking place between the United States and Russia, which is not to the latter's advantage. And Kozyrev's demarche at the Conference on European Security last month in Stockholm (in which he said that the territories of the former USSR comprise the sphere of influence of Russia, which will aspire to recreate the federation on this territory by any means) serves as a kind of demonstration for Americans that excessive activity on their part with respect to Ukraine will not be tolerated. Having pushed Moscow out of virtually every corner of the world, Washington left it the so-called CIS and the Baltic states. For the Americans to step in with both feet

into this region as well by concluding a military agreement directly with Ukraine would mean utterly humiliating and offending the imperial dignity of Russia, whose general public—cook and general alike—regards Kiev as its "own," even if temporarily lost.

The main flaw in the "double-wing" policy being implemented by our leaders is that it anticipates good relations between the two guarantors of our security. But this, in turn, depends solely on the political situation in Russia. Comparing our large neighbor to an elephant, Leonid Kravchuk believes that this will be a "wise elephant." Thus the President's desire to promote democratic processes in Russia by "binding" Russia with certain international obligations of a democratic nature in the triangle of Moscow-Kiev-Washington is understandable.

Unfortunately, however, faith is no more than faith. I think that it is always necessary to take into account the worst possible alternative. Consequently, logic demands that any guarantees given by Russia be "fitted" not only to Yeltsin's team, but also to those who are breathing hard down his neck. And, as we know, there are no such things as duties and obligations as far as fervent Bolsheviks are concerned. They will repudiate them as easily and readily as they did in 1917 when they refused to pay off the tsarist debts. Moreover, they will "justify" their actions by claiming that "we are saving the Fatherland"...

Now let us examine who are the supporters of our posthaste disarmament inside Ukraine. Which deputies insisted on including the position on our non-nuclear status into the military doctrine of Ukraine by putting brutal pressure on the minister of defense? Ostroushchenko, Marchenko, Moroz, and other advocates of "Moscow-style" friendship of peoples, as well as Hrynyov, the champion of "universal human values," who declared on the eve of the presidential election: "If Ukraine were to create her own nuclear force, I would be the first to vote in favor of an economic blockade of Ukraine!"

President Kravchuk's position is understandable. He wants to enhance our prestige by creating an image for Ukraine as the first state in human history voluntarily to rid itself of nuclear arms. But the whole point is that the world does not regard these weapons as ours, as belonging to Ukraine... Andrei Kozyrev speaks of "Russian missiles in Ukraine," while the American press speculates—will Ukraine "return" these weapons to Russia or "not return" them...

The Ministry of Foreign Affairs, which should be responding to this with appropriate explanations and statements and taking the opportunity to open the eyes of the West and our own people in popular form to the contribution made by our nation to the creation of these nuclear weapons, remains silent as if struck dumb.

Reminding everyone that "we do not have direct control over the nuclear weapons on our territory," Leonid Kravchuk underscored that we "could take the necessary

steps to make it our own force, but we have chosen not to do so"... Too bad. If we made 1,656 units of nuclear weapons on missiles and strategic bombers our own and then handed them over, we would really impress the world... For all that, hope dies last. And so, on the eve of the review of the Start I agreement in the Supreme Council of Ukraine the question arises: why should our deputies not apply the political experience of the United States? At one time, the Americans inked all aspects of bilateral relations with Moscow to observance of human rights by the USSR. Why shouldn't our deputies link nuclear disarmament (and this is a matter not only of weapons, but also of property) to the question of the human rights of one of the largest nations in Europe? To the consequences of the unilateral proclamation of Russia to be the legal heir of the USSR, the division of the supplies of gold and diamonds, the division of foreign assets, the question of returning Ukraine's relics and treasures? Why should we not try to use the "nuclear" link to pull up the entire chain of our unsolved problems with Russia and settle them in a comprehensive manner, as one package?

Nor should we forget that "Uncle Scrooge" is offering us a total of 175 million dollars to pay for our disarmament, while our experts have calculated that this will cost ten times more. When we speak of processing 100 thousand metric tons of highly toxic missile fuel, we should remember that the amount needed to destroy chemical weapons in the United States has been valued at 8 billion dollars...

The refusal of the Supreme Soviet to ratify the Start I agreement at the demand of Moscow and Washington would only give the President additional arguments in future negotiations with Russia and the United States.

While we are proving our incredible pacifism, the number of nuclear countries is gradually growing. According to a report by NBC, Pakistan has at least seven nuclear weapons. In the opinion of Western experts, the People's Republic of China may join the nuclear club in a year's time... And who is in line behind us to disarm? Hallo!...

No answer.

BELARUS

Key Player in CP Legalization Fight Profiled

934K0285A Minsk ZNAMYA YUNOSTI in Russian
5 Feb 93 p 1

[Article by S. Pankratov: "Political Fighter Vasilii Chepik, or How a Private in the Party Became a General"]

[Text] If one day historians undertake the writing of a chronicle of the Supreme Council of the Republic of Belarus they will encounter many curious facts. With amazement these descendants will see how the very same people adopted totally opposite "historical" decisions. The same fingers, after a short interval in time and space, operated voting machines to say, for instance, "yes" to the outlawing of the communist party, only to indicate a firm "no" later on the same issue. Future historians will undoubtedly have to revert to psychoanalysts in order to unravel the meaning of that political phenomenon.

Thus the day before yesterday the Supreme Council by an overriding majority of votes adopted a decision which in essence allows the revival of the communist party in Belarus, teletypes disseminated that impressive piece of news throughout the planet. Since that is no longer news it would be best for me to talk about the man who played an exceptional role in this case.

Before Wednesday the people's deputy from Postavy Vasilii Chepik was known to his colleagues for the most part as a man of a few words, who did not speak out often, and closely followed the tactics and strategy of the "Belarus" faction, in other words an average deputy. On Wednesday his colleagues saw an ardent speaker and political fighter.

The matter is that "the rehabilitation of the communist party" hung on a thread, and if the democratic wing would have been more insistent and selective, it may not have taken place at all. The hidden tension in the hall was great but the arguments were uninspired and trite. As it often happens in sports at the most crucial moment in a match the competing teams fall into an inexplicable corpor and listlessly toss the ball from one half of the field to another. At such times it is very important for someone to appear who can take over the game and alter its course. The democrats could not find someone like that. The usually tempestuous Zenon Poznyak on that occasion was more of a candidate of sciences than an orator and a fighter. On that occasion Zenon Stanislavovich allowed himself a few esoteric remarks asking Stanislav Stanislavovich to remember high moral principles. The speaker as well responded to that in a pleasant and elegant manner. Nothing more. Other opposition leaders in parliament likewise failed to display any character on Wednesday. Their opponents also behaved themselves with exceptional caution and some even demonstratively moved from their seats to the "press section" turning themselves into a kind of spectators of this high-strung but uninteresting match. At the same time it was the fate of the party that was being

decided! The communist party, no less. It is possible that everything could have ended in no one's favor if the game had not been taken over by Vasilii Chepik, attacking from Postavy. He took the microphone time after time, reviving memories of the classic techniques of party rhetoric among those present, including, when necessary rather rude vitriol, unbridled anger when required, softened as needed with conciliatory tones. In the recent past Vasilii Chepik headed the party organization of Postavy rayon, and therefore in the nomenklatura hierarchy was below many of his colleagues in the faction. Oblast secretaries of yesterday, however, wisely remained silent when the private soldier from the party from Postavy decided to violate both discipline and the chain of command. Under his onslaught S. S. Shushkevich yet again treated the regulations in a highly cavalier fashion (so much has already been said about that!) and on Chepik's shoulders his animated companions-in-arms broke into the city. The communists won? This time it appears they achieved their revenge for years of remaining in the trenches and after an inglorious capitulation. First of all it is interesting to see how the victors will handle their victory, and, secondly how they will mark V. Chepik's contribution to it. At any rate, the former is actually more important to us.

Significance of CP Legalization Downplayed

934K0285B Minsk ZNAMYA YUNOSTI in Russian
9 Feb 93 p 1

[Article by Ye. Baranova: "There is Such a Party. So What?"]

[Text] Two authoritative republic sociological services released the results of two brief surveys in part pertaining to the political image of the communist party.

In the first case it is referred to as one of the most popular political forces in the republic and in the other case—as one of the least authoritative ones.

However that may be the communist movement was legalized. In the past few days Belarus parliament repealed its decree of 25 August 1991 on the temporary cessation of activity by the CPSU - Communist Party of Belarus, as having lost its power. (By the way, in the same composition and by the same voting majority as when it adopted this "historical decision" just recently).

The lives of our states, nations, and those of each one of us are so closely "intertwined" and linked with "communism" that many are disturbed by the prognosis.

It may appear that the pendulum (on the scale of the entire CIS) has swung back. The state planning committee is being reborn in Kazakhstan. Ukraine is gradually shifting to state regulation of production. Prime Minister of Russia V. Chernomyrdin, in a spirit of "the good old days," recently met with executives of Moscow enterprises. V. Kebich, head of the Belarus government, speaking in parliament, stressed: "The principal levers of

the economy must remain in the hands of the state," expanding his thought further: "Only in that way is it possible under the conditions that have formed to provide even minimum support for the population."

But is all of this—"two steps backward?" "Regulation of production" today is assumed to consist of exclusively economic methods (and not administrative command methods!). The idea of social protection, that is now again being increasingly popularized in its essence is fully adapted to a democratic society offering equal opportunities as well. As noted by the former FRG Federal Chancellor Helmut Schmidt "neither France nor Germany or any other of the European countries may be considered 'capitalist.' These are all countries with a market economy having at their disposal a large mechanism of social protection. Only the United States, if one so desires, may be called a capitalist country."

Therefore let us not panic too soon "pessimistic comrades:" the vector of events (with all of the instability of revolutionary "winds") still points toward further reforms.

As far as the Communist Party of Belarus "born from the ruins" is concerned—it could acquire its former bolshevism only with conditions that no longer exist. First of all, with monopolistic ownership (which was quite unequivocally rejected by the Supreme Council), and secondly with monopolistic influence on the minds and hearts of our countrymen who were fully emancipated over the seven-year period.

Existence really determines consciousness. At present the communist ranks will be joined exclusively by those who support the communist idea itself. Others will be attracted by the idea of the rebirth of national customs, while still others will be attracted by liberalism. Thus true pluralism of ideas and political concepts is forming in Belarus.

The fact that each of the parties will strive to present itself, against a background of political competitors can only be to the advantage of the voters.

Here is another rather hopeful circumstance: steps toward deidealization of the government cabinet. The prime minister repeated several times that he is prepared to bring into the government the supporters of any political trend. These are not just idle words. The fact that M. Myasnikovich, first deputy chairman of the Council of Ministers, is a former member of the Communist Party of Belarus, while N. Skorinin, senior adviser, is an activist of the Belarussian People's Front (also in the past), in my opinion, is very important evidence.

Which political force will turn out in the long run (on a sociological scale) to be the "most authoritative" and the "most popular" one, whose ideas will receive a majority of the popular vote, I believe, will be indicated by future elections (even though they will, alas" take place on the

basis of the former "majority" system which was legalized a few days ago by the parliament).

Decree on Damage Awards Procedure

934K0306 Minsk SOVETSKAYA BELORUSSIYA
in Russian 3 Feb 93 p 2

[Text of decree: "Legal Practice for Compensation of Damages"]

[Text]

Decree on Legal Practice for Compensation of Damages, City of Minsk, N2, 20 Jan 93

Based on an analysis of the practice of the application by the economic courts of legislation on compensation for losses caused to the subjects of economic activity by a failure to fulfill, or the unsuitable fulfillment of, contract obligations, the Plenum of the Supreme Economic Court of the Republic of Belarus, guided by Statutes 21 and 22 of the Law of the Republic of Belarus "The Economic Court in the Republic of Belarus," decrees that:

1. The attention of the economic courts and the subjects of economic activity of the Republic of Belarus be directed to the fact that, in obligations arising out of contracts, the price of the contract is a monetary amount.

The monetary amount of a contract (price of a deal) is determined by agreement of the parties if the legislation of the Republic of Belarus does not stipulate otherwise for a specific type of good or service in relation to which a deal has been concluded.

The monetary amount (price) of a contract (deal) is established by the parties proceeding from the free-market release (wholesale) and retail prices at the moment a contract is concluded.

By agreement of the parties, a method of determining the price may be established instead of a definite price.

A change in the price of a contract (deal) after its conclusion is permitted only in cases and under conditions that are envisaged by the contract and legislation of the Republic of Belarus.

Courts should keep in mind that suppliers, contractors, enterprises and organizations rendering services do not have the right to increase a price stipulated in the contract unilaterally.

The right of the seller to sell a good at changed prices, including declared prices, is taken into account by the economic courts in this regard in all cases where it is reflected in the contract of the parties. The supply of products, performance of work or rendering of services is performed at the price indicated in the contract before changes in the contract price by the parties or on grounds envisaged by legislation.

The price of a good according to which the total of a deal is determined in the sphere of turnover, according to buy-sell contracts and others, should be established with a regard for the restrictions instituted by Decree N711 of the Council of Ministers of the Republic of Belarus of 25 Nov 92 on the level that free-market wholesale and retail prices may exceed the release prices of the manufacturing enterprises. The division of the 30-percent surcharge stipulated by that decree among the participants in reselling is accomplished by agreement among them, if the documents of an authorized body do not stipulate otherwise.

2. The price of a deal and the amount of compensable losses are computed:

2.1. according to the free-market release (wholesale) and retail prices, if legislation does not stipulate otherwise, in direct (one-time) deals in the sphere of sales (supply, buy-sell) concluded by a manufacturing enterprise with a buyer;

2.2. according to the free-market release (wholesale) and retail prices that have taken shape, not exceeding the 30-percent limit over the release price of the manufacturing enterprise in effect at the moment the latest deal was concluded, in repeat deals for the buying of one and the same good;

—the 30-percent surcharge is computed for goods imported into the republic proceeding from the release price formulated by the first wholesale owner of the good who accomplished its import and sale on the domestic market;

—the price of an imported good, with a regard for the indicated surcharge, is computed in subsequent deals on the domestic market under the procedure stipulated by the Department of Prices of Gosekonomplan [State Economic Planning Committee] of the Republic of Belarus, or by legislation in force;

2.3. according to the uniform exchange rate for the ruble to the corresponding currency as envisaged in the contract as established by the National Bank of the Republic of Belarus, if the contract of the parties does not stipulate otherwise, for property deals that are made in foreign currency;

2.4. based on the level of the deposit or credit interest rates respectively of the corresponding bank, but not lower than the discount rate of the National Bank of the Republic of Belarus, for monetary obligations formulated in the national monetary units of the Republic of Belarus;

2.5. at prices envisaged in the contract of the parties for commission contracts;

2.6. at the prevailing exchange rate of the funds exchange in effect at the place the deal is concluded, if the contract of the parties does not stipulate otherwise, for deals in securities;

2.7. compensation is made for the value of the cost in money at the prevailing free-market prices for deals that are deemed by the economic court to be invalid by virtue of Article 60 of the Civil Code of the Republic of Belarus, as well as under claims for satisfaction brought for the return of property from the illegal possession of another, if the return to the party (victim) of the property in physical form is impossible;

2.8. with failure to deliver a good, compensation is made to the buyer at the price stipulated in the contract. In the event of a failure to fulfill the obligations in kind, the court recovers the cost of the undelivered good at the prevailing free-market prices.

3. The economic courts will be guided by those prices and conditions of price formation that are in effect at the moment a legal ruling is issued when resolving specific disputes on compensation for losses, as well as claims for compensation for damages caused to a subject of economic activity in accordance with Paragraph 2 of this decree.

In cases where the absence of property subject to return to a subject of economic activity is detected at the stage of fulfillment of a legal ruling, he is compensated with the value of the property at prices as of the moment of the issue of that determination by the court as determined by the economic court on the basis of Part 3 Article 106 of the Economic Procedural Code.

If the claim demands are satisfied by the court entirely (or partially) proceeding not from the initial price of the claim, but rather with regard for prices as of the moment of issue of the court ruling, a state duty of a size appropriate to satisfy the demands is simultaneously subject to imposition on the guilty party and payable to the republic budget.

For types of credit-monetary and other property obligations for which the additional payment of interest, sanctions, penalties or fines is envisaged, their size is computed proceeding from the size of the initial amounts of the basic obligation that was envisaged by the contract.

4. The economic courts have the right to demand of a manufacturing enterprise (supplier), organization that has rendered services or performed work, proof to substantiate prices, especially data on the cost of a product or service, as well as profits obtained, in pre-contract disputes on the establishment or alteration of contract prices for products, services rendered or work performed.

The economic courts should proceed from the principle of proving the validity of prices in cases of resolving disputes among subjects of economic activity in relation to lease payments. The courts are guided therein by the requirements of Article 11 of the Leasing Law and other legislation of the Republic of Belarus on this issue.

5. The price of a deal in foreign-economic deals for which a subject of economic activity of the Republic of Belarus is a party is computed proceeding from the price of the good as established by agreement of the parties if intergovernmental documents or documents of authorized bodies of the Republic of Belarus do not stipulate otherwise for certain types of procurements (sales) of goods.

6. Losses caused by the withdrawal or temporary occupation of plots of land, as well as restrictions on the rights of landowners and land users, including lessees, or a by a worsening of the quality of lands and the activity of enterprises and organizations as a result, are compensated to the landowners and land users (lessees) in full, including expenditures made from their own funds to improve the quality of the land over the time of possession and use of the plots of land, proceeding from the land-register valuation, as well as including any gains foregone.

Expenditures to restore buildings and structures damaged as a result of the performance of land operations, as well as additional expenditures to take steps to protect buildings and structures in the area influenced by land operations, are also subject to compensation.

The economic courts and subjects of economic activity are guided, in the resolution of economic disputes on the grounds stipulated in this paragraph, by the procedure for compensation for damages that was approved by Decree N160 of the Council of Ministers of the Republic of Belarus of 25 Mar 92.

7. This decree is compulsory for application by economic courts and all subjects of economic activity in the Republic of Belarus.

Chairman of the Supreme Economic Court of the Republic of Belarus V.V. Boyko

Secretary of the Plenum, Judge of the Supreme Economic Court of the Republic of Belarus L.G. Chernikova

Minsk 1992 Economic Statistics Summarized

934K0287A Minsk VECHERNIY MINSK in Russian
8 Feb 93 p 2

[Article by V. Pavlovich: "Free Prices in Free Flight"]

[Text] Following is a commentary on the report by the city statistical administration on the socioeconomic situation in the development of reforms in the city of Minsk.

"In the course of 1992 the economy of the city of Minsk functioned under conditions aimed at offsetting the crisis phenomena that existed in all of its spheres. Anticipated stabilization and especially an improvement in the economy as a whole, however, did not take place. The volume of industrial production was down 4.6 percent. The tumultuous rise in wholesale prices in

industry itself led to vast sums not being paid and in the social sphere—to a no less impressive rise in consumer prices."

High prices restrain consumer demand. In 1992 the population purchased 35 percent fewer goods in terms of physical mass than in the preceding year. The situation on the consumer market failed to improve and the shortage of goods is far from having been eliminated."

This first paragraph, which we are citing almost in its entirety can readily be called an epigraph of the entire voluminous statistical report. In a highly succinct but clear manner it characterizes the state of affairs in the city economy. It is easy to be convinced that it differs somewhat from what is often portrayed in official speeches "at the top level."

Along with this bitter truth, however, we must note that something new, even if slowly, is nevertheless moving ahead. In industry only 18 enterprises have thus far shifted to a lease (or 11.6 percent), whereas in construction—73 organizations did so along with 530 structural units in trade. Work on privatization was fully completed by 90 enterprises and organizations of the city. In other words, the process is moving forward.

Now the question consists of how well the new forms of ownership will serve as a form of lubricant for the cart called the economy. The fact that it, that lubricant, is needed by it is indicated, for instance, by the following facts and figures.

Last year state enterprises and organizations of the city received almost 21 billion rubles in credits, whereas in the previous year that amount was slightly over one billion. In the final result poor ability to pay and insufficient working capital under conditions of rising prices restrain the process of production and complicate the financial situation. According to estimates some 46 billion rubles were earned in profits over the past year. By comparison with the preceding year their volume increased by a factor of 8.5 with a rise in wholesale prices by a factor of 34 in December alone by comparison with December 1991. Devalued revenues narrowed the possibilities for financing production programs and expenditures on social needs. The share of funds directed into the development and perfection of production was lowered from 72 to 42 percent. At the same time the share of taxes and payments into the budget was raised from 39.5 to 63.5 percent.

A rise in wholesale prices was accompanied by a corresponding increase in prices on the consumer market. Thus in December their level in state and cooperative trade was greater than in December of the previous year by a factor of 21 - 22. Prices on the kolkhoz market during that time increased seven-fold. Just in December prices rose by a factor of 1.4 - 1.6. Food products were the first to grow more expensive, including mostly meat products, butter, tea, bread, bakery products, and macaroni. Because of their prices some foodstuffs became not affordable for the low-income strata of the population.

Nonfood consumer items increased in price by almost 40 percent last December. The most significant increase was in prices for cotton fabrics, thread, furs, and fur products, knit underwear, hosiery, toilet soap, watches, and jewelry. Throughout the year a regular rise in prices was noted on paid public services, including those for consumer services.

It is true, the reader will probably say, everything is becoming more expensive, but after all our wages are also rising. Yes, they are rising, but by how much? The average wage in December, by comparison with December 1991, increased by a factor of 12 in the city. As we see, its growth rate is half that of the price increase and it is unlikely that it will ever catch up.

Unemployment, however, is not standing still. At present some 12,000 Minsk residents, registered with employment offices, are looking for work and every second one of them has the status of unemployed. In December alone the number of unemployed grew by 11 percent.

The demographic situation in the city is becoming increasingly more critical. The number of births in 1992 was down 1,624 or 7.7 percent as compared with the previous year. There were no more than 12 births per 1,000 Minsk residents compared with 13 in 1991.

The level of natural growth of the population is increasingly affected by socioeconomic instability and the rapid increase in the cost of living. Moreover the number of divorces in the past year increased by four percent with a simultaneous 17.7 percent decline in marriage registrations.

In conclusion let us cite a paragraph that appeared for the first time in the statistical report:

"Some 67 foreign enterprises are registered in Minsk. There are five enterprises in operation employing 23 workers, three of them are foreign nationals. The charter fund of foreign enterprises amounts to 5,176 thousand U.S.A. dollars. Foreign enterprises engage in retail and procurement operations."

As we see, there is not too much of that. Therefore it would be appropriate to once again recall the old saying: "Trust in God but commit no blunder."

MOLDOVA

Papers View New Parliamentary Speaker

Crisis Success

934K0363A Moscow NEZAVISIMAYA GAZETA
in Russian 18 Feb 93 p 3

[Article by Aleksandr Tago: "Petru Lucinschi Reanimated the Supreme Soviet: The New Speaker Succeeded in Overcoming the Parliamentary Crisis"]

[Text] Resumption of work of the session of parliament was awaited with interest in Moldova. Its new chairman—Petru Lucinschi—took a two-day time-out in order to

analyze the situation that had developed and attempt to lead parliament out of the most severe crisis in its entire existence. Crediting the speaker with outstanding political qualities, observers nonetheless noted that it will be incredibly difficult to reanimate the work of the parliament. Everyone asked the question: Will he succeed in reaching an agreement with all of the factions in order to overcome the principal differences that exist between them? It can be said with confidence now: For the present, he has succeeded. Thanks to Lucinschi, the parliament has twice done what it has unsuccessfully tried to do since 24 December 1992. On Tuesday a decree was passed on the results of discussion of the president's statement on the need to strengthen Moldova's independence and make a final determination of the status of the republic. Of a little more than 200 deputies in attendance, 199 voted for this evasive document, which contains few commitments to anything.

It notes that the independence and sovereignty of Moldova can be strengthened only on condition that a new constitution is adopted. Parliament directed the constitutional commission to submit a draft constitution in a short time, and committed itself to begin examining it on 2 March. The statute provides that, after the adoption of the constitution on the first reading, it will be submitted for national discussion, and after that will be accepted by parliament for a second reading and confirmed by means of an all-republic referendum. The approved document also recognizes the feasibility of accelerating revisions to and adoption of draft documents on the legal status of populated areas on the left bank of the Dniester and rayons that are densely resided in by Gagauz, and contains an appeal to political parties and movements to promote stabilization of the situation and establish a civic accord for the purpose of ensuring guarantees for democratic development in Moldova.

Thus, parliament was able to arrive at a situation in which "the wolves are sated, and the sheep are whole," satisfying both the supporters of independence and the followers of unification with Romania. On the one hand, there was an unequivocal announcement concerning the construction of an independent state, and on the other, it was possible to avoid the conduct of a referendum on the question of unification with Romania. Simultaneously, neither the supporters of independence nor their opponents, who broke a lot of lances during two months of debate in parliament, assumed any kind of obligations. They will undertake an examination of the constitution only when the constitutional commission submits the final version to parliament. It turned out that the only responsible person was President Mircea Snegur, who is also the chairman of the constitutional commission. It is not ruled out that parliament may not agree with the version that the commission submits to it. It is already known that significant contradictions exist among supporters for consolidating in the constitution the presidential and parliamentary forms of government in the republic. This could cause prolonged debates in parliament, and the final adoption of a constitution by means of a national referendum could be postponed for an indefinite period.

For the present, all that can be said is that parliament came to life with the arrival of the new speaker. As recently as Tuesday it began the adoption of legislative acts of an economic order, including approval of the budget for this year. The resignation of supporters of the Christian-Democratic People's Front in the leadership of parliament fully justified itself—to sacrifice the main figures to save a lost game, or at least to prolong it for several moves. After all, it is known that in the present parliament the People's Front faction, although in a minority, has about 30 percent of the votes. In the event elections are held ahead of schedule, under current political conditions the bloc of parties that is supporting unification with Romania has realistic chances of taking not more than 10-15 percent of the votes. Thus for the time being the Front achieved a small victory, avoiding the early dissolution of parliament and new elections that are obviously unfavorable for it. Representatives of the opposition understand that it is too early to be happy. Petru Lucinschi is not the kind of person who can be led by some party or political movement. He certainly has not forgotten that three years ago he was practically forced to retire from the political scene in Moldova, in many ways owing to the policy of the Front, which was directed against him and which supported Mircea Snegur in the elections for parliamentary chairman in 1990. In the last issue of the newspaper TSARA ((COUNTRY—a People's Front organ)), Yuriy Roshka, chairman of the executive committee of the Front, assessed the situation this way: "Several years ago, at the beginning of parliament's work, our deputies elected Snegur, attempting to save themselves from Lucinschi, and today some of them are voting for Lucinschi in the hope that he will save us from Snegur." Yuriy Roshka called on his colleagues not to weaken and not to let their attention flag. "Starting 4 February the center of gravity shifted from the presidency to parliament, and with a delay of almost three years, Lucinschi took revenge on his party colleagues," the leader of the People's Front emphasized, "the Lithuanian syndrome soars above us as well. Our Brazauskas once again found himself on a horse. And the switch occurred with astounding speed." In this connection, the leader of the People's Front ascertained that a new political situation developed in Moldova. He called on his supporters to establish a broad coalition of parties and political formations of a national and democratic orientation, a coalition that would make it possible to "consolidate anti-CIS forces." In conclusion, Yuriy Roshka disclosed that there is no more important problem for the People's Front at this stage than to strengthen and consolidate its structures. "Only in this way will we be able to hold out against tough political opposition in the future."

Time will tell what this political opposition will lead to, and who will be able to derive the greatest benefit from it.

Relations with Russia

934K0363B Moscow DELOVOY MIR in Russian
10 Feb 93 p 1

[ITAR-TASS report: "Petru Lucinschi: We Are Not So Naive as Not To Realize the Strength and Power of Russia"]

[Text] This was declared in an interview in the newspaper RUSSKOYE SLOVO by Petru Lucinschi, former ambassador of Moldova to Russia and now the head of parliament.

Relations between Russia and Moldova, he noted, have deep historical roots. These relations tie both countries together with many thousands of threads. In his words, they developed over decades, and they became common. We would like the problems and concerns of the young Moldovan state to be understood better in Russia. We are aspiring to be treated as an independent state in accordance with those documents that already have been signed between Moldova and Russia. He noted with regret that the treaty signed between the two countries has not been ratified by Russia yet.

Petru Lucinschi thinks that the situation in Moldova, as in all of the other former republics of the Soviet Union, depends in many ways on the situation in Russia. The people of Moldova are sincerely interested in greater stability in it. We want, he noted, everything good and nice that we have experienced in Moldovan-Russian relations to develop. It must be done in a way that politicians conscientiously engage in their work and the people reap the positive fruit of their activity.

According to Petru Lucinschi's assertion, Moldova and its representatives frequently encounter situations when it is recognized as an independent state in words, but things turn out differently in fact. He thinks that this is first and foremost connected to the Dniester region and other problems of this kind. We would like them to be more consistently and more actively resolved by political means, including with Russia's assistance.

The formation of any young state, including Moldova, where there are no minerals and energy sources, Petru Lucinschi noted, is also very complicated in an economic sense. We very much do not want any kind of political incidents to add complications in this sphere either. Recently, Russia, although quite tactfully, has stated more than once: Choose either the CIS or independence, choose your own option. Moldova would like the great country to treat the little one more good-naturedly, more tolerantly, taking its growth problems into account. We, he noted, were also tied to Russia independent of the political structure and political figures. This will continue in the future. That is the way it has crystallized historically. And here it is important that, without any kind of discriminatory aspects, our relations develop in all directions, and it is important that Moldovan-Russian relations develop along all directions with some understanding by Russia of the problems of a young state in a regime of most favorable treatment. He believes that this would be evaluated by the young state in an appropriate way.

Moldova is not in favor of any kind of laws that divide people according to national features. But if people do unite on a national basis, then conditions should be created in the state in question for the satisfaction of their national interests, Petru Lucinschi believes.

KAZAKHSTAN

Edict on Revaluation of Fixed Capital

934K0339A Alma-Ata KAZAKHSTANSKAYA PRAVDA
in Russian 9 Dec 92 p 1

[Edict of Kazakhstan President N. Nazarbayev: "On Revaluation of Fixed Capital (Assets) in the Republic of Kazakhstan"]

[Text] 1. With the aim of bringing the book cost of fixed capital (assets) in the Republic of Kazakhstan in line with current terms of their growth and prices, a revaluation of fixed capital (assets) is to be carried out from 1 December 1992 to 1 March 1993.

2. Immediately upon passage of this edict, the State Committee of the Republic of Kazakhstan for State Property and the heads of the oblast and Alma-Ata and Leninsk city administrations are to draw up purchase-sale contracts for state property, taking into account the revaluation of fixed capital (assets).

3. The Cabinet of Ministers of the Republic of Kazakhstan, State Committee of the Republic of Kazakhstan for Statistics and Analysis, and State Committee of the Republic of Kazakhstan for State Property are to draw up and implement necessary organizational measures to carry out the revaluation of fixed capital (assets).

[Signed] N. Nazarbayev, president of the Republic of Kazakhstan

[Dated] Alma-Ata, 8 December 1992

Budget Deficit Prevents State Loan Payment

Moscow KOMME^SSANT-DAILY in Russian
4 Feb 93 p 10

[Unattributed item: "Besides"]

[Text] The deficit of the state budget prevents Kazakhstan from making payments on the 1982 USSR state loan in 1993. This was announced at a press-conference in Alma-Ata by first vice-premier Dauletay Sembayev. At the same time he stressed that the government intended to carry out indexation of deposits and raise securities interest rates.

Kunayev 'International Fund' Begins Activities in Alma-Ata

934K0339C Moscow KOMMERSANT-DAILY
in Russian 6 Feb 93 p 11

[Unattributed, untitled item]

[Text] An international fund organized mainly by former leading party and economic executives of Kazakhstan and bearing the name of Dinmukhamed Kunayev, former first secretary of the Central Committee of the republican Communist Party, will begin activities in Alma-Ata on

Saturday with an official presentation. The fund, which was registered at the end of last year, has declared its purpose to be strengthening the republic's state sovereignty, improving the well-being of its population, and revival of the Kazakh people's spiritual and cultural heritage. It is also planned to establish Kunayev prizes, scholarships for outstanding students, and to pay for their study abroad. The fund will be maintained by voluntary contributions and payments of its members, commercial and publication activities. The organization has already 3.5 million rubles contributed from different regions of the republic on its account.

KYRGYZSTAN

Effects of Rising Crime Rate Pondered

934K0315A Moscow PRAVDA in Russian 19 Feb 93 p 2

[Article by Yuriy Razgulyayev: "On Whom Are the 'Stars' of Asia Shining?"]

[Text] BISHKEK. The republic conference on questions of the struggle with crime and corruption made a strong impression on me and on everyone with whom I was able to talk. President A. Akiyev convened the conference on very serious grounds. The crime rate in Kyrgyzstan is perhaps the very highest of all the territories of the former Union. In the last year alone the number of crimes committed increased by a factor of almost 1.5. Criminal structures are clearly becoming more active.

But no matter how dangerous the criminal world is, it has always been in open opposition to society. The dividing line between honest citizens and, say, bandits, is quite clearly drawn. It is worse, when the corrosion of crime devours us from within—when the managers and leaders whom we have chosen begin to confuse what is theirs and what belongs to the state, when they use their position for personal enrichment.

Frankly, I have to say that few instances of blatant corruption were cited at the conference. I suppose that only V. Gogayev, chairman of the State Inspection Committee at the Presidency, attempted to cite names and facts that testify to the merger of the apparatus of state with criminal commerce. On the whole, the conference was reduced to internal squabbles among the leaders of the law-enforcement organs themselves. Once again the Supreme Court attacked the Justice Ministry, and the prosecutors the police. And together they all asked for money, equipment, weapons.

All this is, undoubtedly important. And President Akayev, in his concluding statement, promised increased funding, purchase of equipment and renovation of motor vehicles. Unfortunately, however, automatic weapons, pistols and armored vests are not at all necessary in order to stop the bribery and venality which have infected a large part of the civil service. At this conference alone it was brought out, for example, that last year Kyrgyzstan resold abroad 124,000 tonnes of ferrous

metals, and thousands of tonnes of copper, brass, aluminum and zinc. Its plants stand idle, people are not working, but the businessmen are gaining millions from these difficulties.

But you see, someone issued the licenses, and someone approved the export permits. Why is it not possible to name the names of these "heroes"? Incidentally, those same law-enforcement organs exposed only 60 bribe-takers for all of 1992, and these were on a rather petty scale.

But you see the most energetic businessmen are already on a pretty solid footing. Just take for instance the story of the TU-154 aircraft. Makas Airport in Bishkek has been closed now for more than a month. There is no fuel, nor any money for aircraft repairs. And here, suddenly, a firm called "Star of Asia" appears, and easily lays out R1.5 billion for two liners.

The details of their "ballet" were brought out at the conference. As it turns out, the businessmen took the money for this "record" deal from the technical credit which Russia had given Kyrgyzstan for its top priority needs.

Certain newspapers which actively defend the new commerce say this is fine, let them get rich, if only it makes life easier for the people. But you see, it is not turning out like that. Both national and patriotic feelings, and concern for one's own people come before devouring of profits, especially excessive profits. Incidentally, it was reported at the conference that "Star of Asia" has no intention whatever of transporting its fellow countrymen on the aircraft it purchased. It has found a more profitable option and plans to "push" the silver liners abroad. This promises the businessmen in all...merely a couple of billion.

And so, is this commerce or corruption? Except for the angry speech of the President, not one of the speeches at the conference contained sharp condemnation of the criminal enrichment of those who have access to the state pie. I even managed to hear that, they say, there is no need to go to extremes again, and that we must not restrict freedom of trade or place limits on entrepreneurship.

The people understand the complexity of the situation into which the republic has fallen today. They know that there can be no reforms without difficulties. They, at last, have agreed to endure and to put up with deprivation; but only if such difficulties are shared among everyone fairly.

Vehicles with flashing lights dash down the streets, escorting a Volvo, in which our leaders now travel. Perhaps they have just come to the conference on corruption? Such vehicles are becoming more numerous. By now every Akim—the heads of administration, even regional, thinks that he can travel only in a GAZ-31, which itself costs many millions.

What do the citizens who stand in line for hours think of them? Is it truly impossible to bear things and instead of white Volgas, purchase a few trolley busses? After all, at the elections all the bosses took an oath to think only about the needs of the people.

But all of this led me to other thoughts. I had sat in this same hall more than once, three and five years ago. Is it not strange that my neighbors and nearly all those making speeches were the same people then? Only the presidium has changed little. For you see, there were bribe-takers then, and there were thieves, but it was a lot harder for them to live. And not at all because the law-enforcement organs operated more decisively then. Other limitations were operating in the upper echelons—the bureau, the party commission, and last, People's Control.

At present, bribers and bribe-takers have practically nothing to fear. No one reacts to the newspaper articles, for the organs of control have all been destroyed. The police and the prosecutor, as well as the committee for national security, are fighting merely with the "petty thieves." No matter how hard I search my memory, I cannot think of a single major case of bribery brought against a venal high-ranking functionary since the change of power. "And there will not be," say honest jurists; "The way to the top is completely closed to us." And so, if President Akayev sincerely wants to root out corruption, and I believe that he does, he must start from the top. It is necessary to deal with those levels from which come the licenses, the benefits, and the credit, and the place to which the foreign currency comes, which was earned through the labor of the citizens of Kyrgyzstan. The prosecutor and the police can be only assistants here, the technical executors of critical decisions, which it is no longer possible to put off.

Housing Costs Escalate; Russian Emigration Continues

934K0315B Moscow ROSSIYSKAYA GAZETA
in Russian 18 Feb 93 p 7

[Article by Valeriy Kuklin: "The Most Popular Commodity"]

[Text] BISHKEK. Apartments in Kyrgyzstan are just about the most popular commodity. Hardly any new construction is under way and migration of the populace is very great; this, together with devaluation of the ruble, is leading to a catastrophic price increase for living space. For example, since last July the price of a one-room apartment has climbed from R80,000 to R1 million; for a three-room apartment, from R250,000 to over R2 million. As one can see, the given indicators exceed many times the rate of inflation itself.

Up to 83 percent of the apartment owners offering their living space for sale are either Slavs or Germans.

The exodus of Russians from Kyrgyzstan, which began long ago, is disturbing to those who understand that in it

republic is losing its skilled cadres, its scientists and specialists. And they are not in abundance in Kyrgyziya

[Signed] President of the Republic of Uzbekistan I. Karimov Tashkent, 29 December 1992.

UZBEKISTAN

Presidential Edict on Increase in Remuneration for Labor, Pensions, Stipends

934K03194 Tashkent VATANPARVAR in Russian
6 Jan 93 p 1

[Presidential edict of the Republic of Uzbekistan: "On Increasing Wages, Pensions and Stipends as of 1 January 1993"]

[Text] With a view to the further strengthening of the social protection of the republic's population:

1. To increase the level of the minimum wage and pension by a factor of 1.25 and to establish in the territory of the Republic of Uzbekistan its minimum amount—R2,500.

2. In accordance with the minimum wage established by the present edict and the unified wage scale that has been introduced, to increase the wage rates and salaries for workers in institutions and organizations on budget financing by a factor of 1.25.

3. To establish the non-taxable minimum income of citizens in the amount of R2,500 a month.

4. To increase the size of all pensions presently in effect by 25 percent.

5. To increase by a factor of 1.25 the stipends for students of VUZ's, the students of tekhnikums and vocational-technical systems who are not provided with uniforms and nourishment. To preserve the 50-percent discount of the cost of meals in student cafeterias and snack bars.

6. For the Ministry of Finances of the Republic of Uzbekistan to determine the sources of financing of the expenditures for the increase of wages, pensions and stipends stipulated by the present edict.

7. For associations, enterprises, and organizations with full economic accountability to introduce the minimum wage established by the present edict by way of finding their own sources of funds for these ends.

8. For the ministries and departments and the Council of Ministers of the Republic of Karakalpakstan, the khokim [governor] of the oblasts and the city of Tashkent, and the organizations and institutions being financed from the budget, to guarantee the timely introduction of the new wage conditions.

9. For the Central Bank of the Republic of Uzbekistan to take measures guaranteeing the timely payment of wages to enterprises, organizations and institutions of the republic.

Commentary on Edict in Increase in Remuneration for Labor, Pensions, Stipends

934K0319B Tashkent VATANPARVAR in Russian
6 Jan 93 p 1

[Unattributed commentary: "Commentary on the Edict of the President of the Republic of Uzbekistan 'On Increasing Wages, Pensions and Stipends as of 1 January 1993'"]

[Text] By edict of the president, as of 1 January 1992 the level of the minimum wage and pension are increased by a factor of 1.25, and in the territory of the Republic of Uzbekistan their minimum size is established at R2,500 a month.

In noting the orientation of the edict toward the improvement of the material situation of the workers in the branches of the national economy, it should be emphasized that this document has a main goal—to strengthen the social protection of all strata of the population, especially students and pensioners. There is a 1.25-fold increase in all types of pensions, which affects the interests of more than 2.5 million pensioners.

There is a 1.25-fold increase in the stipends of students of VUZ's and students of tekhnikums and [vocational-technical] schools. For them, the 50-percent discounts of the cost of midday meals are preserved. As a result of this, the size of the stipends on the average will come to R2,020 for students of VUZ's, and R1,570 and R1,050—for students of tekhnikums and vocational-technical schools not provided with uniforms and nourishment.

According to the edict, the non-taxable minimum income of citizens is raised from R2,000 and established at the level of R2,500 a month.

The adoption of the edict on increasing the amount of the minimum wage coincided with the introduction of a uniform wage rate scale. The establishment of the size of the minimum wage—R2,500 a month—will simultaneously produce a 1.25-fold increase of wage rates in the salaries for workers in the national economy, including the wage rates and salaries of the workers in institutions and organizations on budget financing.

In the newspapers of 29 December 1992, in a commentary on the decree of the Cabinet of Ministers "On the Introduction of a Unified Wage Rate Scale As of 1 January 1993," by way of example, were cited the calculations of wage rates and salaries, proceeding from the existing amount of the minimum wage—R2,000.

For the sake of clarity of the changes in the wage rates and salaries in connection with the increase in the amount of the minimum wage to R2,500, the following examples are cited:

For a worker of [skill] category 6 in a machine building enterprise, according to the unified wage rate scale, the coefficient is 1.88. With a minimum wage level of R2,500, the wage is determined as the sum of R4,700 ($2,500 \times 1.88$). To the size of the wage rate obtained is added the industry coefficient, equal to 1.1. As a result, the size of the wage rate for this worker will come to ($4,700 \times 1.1$)—R5,170, i. e., it increases by a factor of 1.25.

For a bricklayer of category 4, the rate coefficient 1.52 is established, and the industry coefficient comes to 1.28. With a minimum wage amount of R2,500, the wage rate of the bricklayer will come to R4,864 ($2,500 \times 1.52 \times 1.28$).

A teacher of the first qualification category belongs to skill category 8, the rate coefficient is 2.32. With a minimum wage rate size of R2,500, his wage rate will come to R5,800 ($2,500 \times 2.32$).

A physician of the first qualification category belongs to category 9, for him a rate coefficient of 2.54 is established. With a minimum wage rate size of R2,500, his wage rate will come to R6,350 ($2,500 \times 2.54$).

The expenses for increasing wages, pensions and stipends stipulated by the present edict, in 1993 alone will amount to over R60.2 billion, including at the expense of the budget—R35.7 billion, and the pension fund—R24.5 billion.

In combination with the previously adopted decrees of the Cabinet of Ministers "On the Protection of the Consumer Market of the Republic of Uzbekistan in 1993" and "On the Introduction of a Unified Wage Rate Scale," this edict guarantees the further strengthening of the social protection of the republic's population.

Law on MVD Administrative Supervision of Ex-prisoners

Text of Law

934K0302A Tashkent NA POSTU in Russian
6 Jan 93 pp 1-2

["Law of the Republic of Uzbekistan 'On Administrative Supervision by the Organs of Internal Affairs of Persons Released From Places of Detention'"]

[Text] **Article 1.** Administrative supervision by the organs of internal affairs of persons released from places of detention is a set of measures of an educational-preventive nature and consists of the application of the restrictions pertaining to this supervision as provided for by this law.

Article 2. The main purpose of administrative supervision is to prevent the return to crime by those convicted previously, and to form a positive social orientation in them.

Article 3. Establishment and implementation of administrative supervision should not violate other rights and legitimate interests of the person under supervision, disparage his human dignity, or compromise him at his place of work, study, or residence.

Article 4. Administrative supervision shall be established for the following adult persons:

a) those sentenced to imprisonment for serious crimes or convicted twice or more for any premeditated crime if their conduct when they serve their sentences indicates stubborn reluctance to set out on the path of correction and to become accustomed to an honest working life;

b) those sentenced to imprisonment for serious crimes or convicted twice or more for any premeditated crime if after they have served their sentence they systematically violate public order and the legitimate interests of citizens despite warnings from the organs of internal affairs to cease their antisocial way of life.

Article 5. The following restrictions may be placed on persons for whom administrative supervision has been established:

a) prohibition from leaving their house (apartment) at certain times of the day as set by the organs of internal affairs;

b) prohibition from being in certain areas in the rayon (city);

c) prohibition from leaving a rayon (city) without permission from the organs of internal affairs (militia);

d) reporting to the militia to register from one to four times each month.

The restrictions listed shall be applied in full or separately, depending on the way of life, family situation, past convictions, and other circumstances characterizing the personality of the person under supervision.

The list of restrictions shall be exhaustive, and no additional or expanded interpretation of them shall be permitted.

Article 6. The exercise of administrative supervision shall be entrusted to the organs of internal affairs (militia) at the place of residence of the person under supervision.

Article 7. The grounds for establishing administrative supervision shall be a ruling by a judge.

Article 8. A report setting forth the reasons for the need to establish administrative supervision shall be sent to the courts by the following:

a) in respect of persons held in places of detention, the chief of a corrective-labor institution, with materials testifying to the stubborn reluctance of the prisoner to set

out on the path of correction and become accustomed to an honest working life, no later than one month before release;

b) in respect of persons released from places of detention, the chief of an organ of internal affairs, on the basis of material testifying that after release from a corrective-labor institution the person is leading an antisocial way of life.

Article 9. The question of establishing administrative supervision shall be decided by judges not later than 10 days from the time application is made. The grounds for establishing supervision, the period of supervision, the restrictions applied to the person under supervision, and the period of his sojourn at the place of residence chosen if the administrative supervision is established in respect of a person released from a place of detention, shall be indicated in the ruling establishing administrative supervision.

Article 10. Administrative supervision shall be established for a period of from six months to one year. The period during which supervision is exercised shall be calculated from the moment that persons indicated in clause "a" of Article 4 of this law arrive at their places of residence, and for persons indicated in clause "b" of Article 4, from the moment that a judge issues the ruling establishing administrative supervision.

The period of administrative supervision may be extended by a judge upon application from the organs of internal affairs for a period of six months each time, but not for longer than the periods provided for by law for cancellation or clearance of the sentence for a particular crime. Extension of the period of administrative supervision shall be permitted in a case in which during the time set for him a person under supervision has not set out on the path of correction, has violated public order and the legitimate interests of citizens, or has failed to observe the restrictions imposed.

Article 11. The list of restrictions may be reduced or augmented, giving due consideration to the personality of the person under supervision and his way of life and conduct, but within the limits of the restrictions as provided for by Article 5 of this law.

Article 12. In respect of persons for whom administrative supervision has been established during the time that they have been serving their sentences, the administration of the corrective-labor institution shall send to the organs of internal affairs at the place selected for residence by the person under supervision the ruling from a judge establishing administrative supervision, together with information about the time that the released person will be arriving.

Article 13. The person placed under supervision shall be informed of the ruling by a judge establishing administrative supervision or extending it or altering the restrictions when supervision is being exercised upon its receipt by the chief of the organ of internal affairs, while a person being held in a place of detention shall be

informed by the chief of the corrective-labor institution. When this is done, the obligations and liability for violating the rules of administrative supervision shall be explained to the person being placed under supervision, while for a person for whom supervision is established before release from a place of detention, liability for failure to arrive at the selected place of residence within a certain time shall be explained. Liability for leaving a place of residence without authorization for the purpose of avoiding administrative supervision shall also be explained to the person placed under supervision.

Article 14. Persons for whom administrative supervision has been established shall be photographed and shall be registered with the organs of internal affairs. If necessary, the fingerprints of persons placed under supervision shall be taken. Proceedings of supervision shall be made for each person under administrative supervision.

Article 15. In the exercise of administrative supervision, workers in the organs of internal affairs (militia) shall be obliged as follows:

a) systematically to monitor the conduct of persons placed under supervision at their places of residence and work;

b) to take the necessary steps to register persons placed under supervision at their selected place of residence, and to involve them in socially useful labor;

c) to prevent and interdict violations by them of public order and the rights and legitimate interests of other citizens;

d) to keep records in accordance with the procedure established by law of violations of the restrictions placed upon them.

Article 16. During the exercise of administrative supervision, militia workers shall have the following rights:

a) to demand information concerning the conduct of a person placed under supervision from the administrations of enterprises and institutions at his place of work or study, and from public organizations at the place of residence, and also from citizens;

b) to submit applications to the appropriate state, public, and economic organizations concerning the domestic and labor arrangements of a person placed under supervision;

c) to summon a person placed under supervision for an interview with the militia, and if necessary to conduct such interviews in the presence of representatives of the administrations of the enterprises, institutions, and public organs, and the relatives of the person placed under supervision, and also persons having business with respect to the subject of the interview;

d) to demand from a person placed under supervision verbal and written explanations with respect to matters connected with compliance with the rules of administrative supervision;

e) to visit the house of a person placed under supervision between 0600 hours and 2200 hours.

Nonstaff associates of the organs of internal affairs and other representatives of the public may be recruited to provide assistance for the organs of internal affairs in carrying out measures to exercise administrative supervision.

Inquires regarding persons refusing to comply with administrative supervision shall be conducted by the militia upon a ruling by a judge.

Article 17. Administrative supervision shall be suspended in the following cases:

a) at the end of the period for which it was established, unless there are grounds for extending it;

b) early, if it is established that the person placed under supervision has firmly set out on the path of correction and is positively characterized in his work and domestic situation;

c) in the event that the sentence of the person placed under supervision is canceled or cleared.

Article 18. An instruction shall be issued by the militia worker exercising administrative supervision regarding early suspension of administrative supervision in cases as provided for in clauses "a" and "b" of Article 17, and this shall be confirmed by the chief of the rayon, city, or city rayon department of internal affairs.

Application shall be made to the courts in respect of early suspension of administrative supervision in the case as provided for in clause "b" of Article 17, which shall be reviewed within a period of 10 days.

The person placed under supervision shall be informed of the ruling by the judge or organ of internal affairs in respect of suspension of administrative supervision.

Documents of record for a person placed under administrative supervision shall be retained in the organ of internal affairs for a period of one year from the time that administrative supervision is suspended.

Article 19. A person placed under administrative supervision shall be obliged to live an honest life of labor, not to violate public order or the legitimate interests of other citizens, and observe the following rules:

a) appear at the time set by the militia and provide verbal and written explanations pertaining to questions connected with compliance with the rules of administrative supervision;

b) within one day inform the militia workers exercising administrative supervision of any change in work or residence, and also any travel outside the boundaries of the rayon (city);

c) when traveling to another populated point and remaining there for more than 24 hours, to register with the local department of internal affairs (militia);

d) observe the restrictions set forth in Article 5 of this law.

Article 20. Persons who have been placed under administrative supervision shall in the event of violation of the restrictions imposed be held administratively or criminally liable in accordance with the procedure established by legislation of the Republic of Uzbekistan.

A person placed under supervision who leaves his place of residence unauthorized for the purpose of avoiding administrative supervision, or without good cause does not arrive within the set period at the place of residence chosen when the administrative supervision is imposed upon release from a place of detention shall be held criminally liable in accordance with the procedure established by legislation of the Republic of Uzbekistan.

Article 21. Compliance with this law shall be supervised by the procurator general of the Republic of Uzbekistan and the procuracies subordinate to him.

Article 22. A ruling by a judge on establishing administrative supervision may be rescinded or altered upon appeal from the procuracy or a higher court in a case in which the establishment of administrative supervision is deemed to be invalid.

Article 23. Appeals and statements connected with the establishment and exercise of administrative supervision shall be considered and resolved within the limits of the powers granted the chief of the organ of internal affairs, or the procurator or chairman of a higher court.

Submission of an appeal shall not halt the exercise of administrative supervision until a judge has issued a ruling to suspend it.

[Signed] I. Karimov, President of the Republic of Uzbekistan
Tashkent city
9 December 1992.

MVD Official's Commentary

934K0302B Tashkent NA POSTU in Russian 6 Jan 93 p 2

[Article by Lieutenant Colonel of Militia K. Nazarov: "The Opinion of an Expert"]

[Text] At the session of the republic Supreme Soviet, a law was passed on administrative supervision by the organs of internal affairs over persons released from places of detention. Our correspondent met with Lieutenant Colonel K. Nazarov, chief of the republic Ministry of

Internal Affairs UPS [expansion unknown] and asked him to comment on the new legislative enactment.

First of all, the timeliness of the law that has been passed should be emphasized, designed to prevent crimes by persons who have committed them previously, K. Nazarov said. Until now work to exercise administrative supervision has been in accordance with the law of the former Union, some of whose provisions do not correspond to local conditions. A number of major changes have been introduced in the new law. In particular, restrictions will be imposed by court ruling on persons convicted earlier who are now free but are reluctant to set out on the path of correction. Previously those under administrative supervision could be subjected to checks at any time of the day or night. Now this time is limited to 0600 hours to 2200 hours. In accordance with the law, the republic Ministry of Internal Affairs is preparing special instructions that will contain explanations with respect to how organs of internal affairs workers exercising administrative supervision will handle it.

Decree on Use of Several Articles of Criminal, Administrative Offense Codes

934K0303A Tashkent NA POSTU in Russian 6 Jan 93 p 1

["Decree of the Supreme Soviet of the Republic of Uzbekistan on the Procedure for Applying Certain Articles of the Criminal Code of the Republic of Uzbekistan and the Administrative Offense Code of the Republic of Uzbekistan"]

[Text] The Supreme Soviet of the Republic of Uzbekistan decrees:

1. To make clear that material damages of an amount exceeding the established minimum working wage by fifty times should be considered large-scale, serious damages, significant damages or fundamental damages, as stipulated by several articles of the Republic of Uzbekistan Criminal Code, and damages of an amount exceeding the established minimum working wage by one hundred times should be considered especially large-scale.

2. Misappropriation of state or public property, as stipulated by article 56 of the Republic of Uzbekistan Administrative Offense Code, is considered petty if the cost of the misappropriated property does not exceed half the established minimum working wage. The quantity of misappropriated objects themselves (weight, size) and their importance to the national economy are also taken into consideration here.

3. Speculation with a resulting profit that does not exceed the established minimum working wage should be considered petty speculation, as stipulated by article 171 of the Republic of Uzbekistan Administrative Offense Code.

Speculation resulting in a profit that exceeds five established minimum working wages should be considered large-scale, as stipulated by part two of article 175 of the

Republic of Uzbekistan Criminal Code, and, according to part three of the same article, speculation with a profit of twenty-five established minimum working wages should be considered especially large-scale speculation.

In resolving the question of qualifying the type of speculation, besides the amount of actual obtained or assumed profit from speculation, the cost and quantity of goods bought for resale and of resold goods or other objects should be taken into consideration.

4. Fraud of an amount not exceeding one two-hundredth of the established minimum working wage should be understood as small-scale deception of buyers and customers, as stipulated by article 166¹ of the Republic of Uzbekistan Administrative Offenses Code.

Fraud, the profit from which exceeds the established minimum working wage, should be understood, as stipulated by part two of article 177 of the Republic of Uzbekistan Criminal Code, as large-scale deception of buyers and customers. In resolving the question of qualifying the type of crime, the quantity and cost of the orders filled, the type of services provided to the population are also taken into consideration.

5. Compensation exceeding the established minimum working wage should be considered large-scale illegal compensation, as stipulated by part two of article 177¹ of the Republic of Uzbekistan Criminal Code.

6. In connection with this, to recognize the loss of validity of:

point 5 of the Republic of Uzbekistan Supreme Soviet Presidium Decree of October 27, 1981, "On the procedure for applying article 177¹ of the Republic of Uzbekistan Criminal Code" (VEDOMOSTI VERKHOVNOGO SOVETA RESPUBLIKI UZBEKISTAN, 1981, No. 31, art. 598);

Republic of Uzbekistan Supreme Soviet Presidium Decree of December 19, 1983, "On the procedure for applying article 175 of the Republic of Uzbekistan Criminal Code and the Republic of Uzbekistan Supreme Soviet Presidium Edict of December, 1957, "On liability for petty speculation" (VEDOMOSTI VERKHOVNOGO SOVETA RESPUBLIKI UZBEKISTAN, 1983, No. 36, art. 544);

Republic of Uzbekistan Supreme Soviet Presidium Decree of March 1, 1984, "On the procedure for applying part two of article 177 of the Republic of Uzbekistan Criminal Code" (VEDOMOSTI VERKHOVNOGO SOVETA RESPUBLIKI UZBEKISTAN, 1984, No. 7, art. 111).

7. The present decree goes into force starting on the day of its publication in the press, and does not apply to

convicted persons, concerning whom court sentences have come into force before the day the present decree becomes valid.

Chairman, Republic of Uzbekistan Supreme Soviet
Sh. Yuldashev

City of Tashkent
December 9, 1992

REGIONAL AFFAIRS

Tajikistan Conflict's Regional Aspects Outlined

934K0290A Moscow *NOVOYE VREMYA* in Russian
No 4, Jan 93 pp 13-16

[Article by Arkadiy Dubnov: "Catastrophe in Tajikistan About Which Russia Knows Almost Nothing"]

[Text]

DOSSIER

Sangak Safarov, 65, commander of the People's Front armed formation. A cook by profession. Has several court convictions. Has spent a total of 23 years in prison. In criminological terminology a "baklan" (hooligan), he received his first sentence for brawling.

The last time he was released from prison, at 50, he married and now has eight children. In Kulyab he set up a pavilion, cooked shashlyks, and sold beer and vodka. His clients called him "Uncle Sasha," and the Kulyab newspapers call him "Bobo (grand daddy) Sangak"....

He was one of the organizers of the Oshkoro (Glasnost) society in Kulyab, which is controlled by the Communist Party Oblast Committee.

He is happy to talk about himself. Recently he shared with journalists and Russian Minister of Foreign Affairs Kozyrev the news that he had ordered the chairman of the Kulyab Oblast Executive Committee, Dzhiyenkhon Rizoyev, shot.

Safarali Kendzhayev, 51, reared in the family of Kazikolon Turadzhonzoda. A candidate of jurisprudence, he was transportation procurator of Tajikistan. He led the presidential election campaign of Rakhmon Nabiyev. Along with Nabiyev's election as president of Tajikistan in December 1991, he was elected chairman of the republic's Supreme Soviet.

He resigned under pressure voiced at rallies on 20 April 1992. Four days later, he was appointed chairman of the Committee for National Security of Tajikistan and awarded the rank of major general. On 2 May he was restored to his position as speaker of parliament, but on 8 May, because of an agreement to create a coalition government, he was forced into retirement.

He led an attempt to storm Dushanbe on 24 October 1992. Today he is one of the actual leaders of the People's Front.

Shodmon Yusupov, 43, has three children. Graduated from Saratov University and completed graduate studies at the Institute of Philosophy and Law of the USSR Academy of Sciences, candidate of philosophical sciences.

Taught at the Dushanbe Pedagogical Institute and was party organizer at the Institute of Philosophy of the Academy of Sciences of Tajikistan.

In August 1990 at the constituent congress of the Democratic Party of Tajikistan he was elected its chairman.

On 8 January 1993 the new authorities of Tajikistan brought criminal charges against Yusupov, accusing him of conspiracy to seize power.

Kazikolon (chief interpreter of the Shariat) **Akbar Turadzhonzoda** (Kakhkharov), head of the spiritual government (Kaziat) of Tajikistan, 38, born into the family of an eminent clergyman.

Graduated from Bukhara Medressa [Theological Seminary], Tashkent Islamic Institute, and the shariat faculty of Amman University (Jordan).

In 1990, elected people's deputy of the Tajik SSR. From May through December 1992—was a member of the presidium of the Supreme Soviet of Tajikistan.

On 8 January 1992 criminal charges were also brought against him, accusing him of an antistate conspiracy.

In the Tajiks' civil war a special role is being played by neighboring Uzbekistan.

No other conflict on the outskirts of the former Soviet empire can compare with the Tajik tragedy. It will never be possible to get a precise count of its victims. They already run into the tens of thousands. And if one adds to them about 200,000 refugees headed for the southern borders of Tajikistan, the situation looks catastrophic.

But even the most attentive television viewer in Moscow or even in all of Russia knows nothing specific about the war in Tajikistan. "Dushanbe has been taken, there is fighting on the outskirts of the city"—this was heard on Russian television. Who took it, with whom are they fighting? No information....

The sources and causes of this war lie deeper than one usually thinks.

'Nobody Wanted To Create Tajikistan....'

The Tajiks, one of the most ancient peoples of Central Asia, are distinguished by their origins and language from the majority of other peoples of the region. While Uzbeks, Kazakhs, Kyrgyz, and Turkmen belong to the

Turkic language group, the Tajiks belong to the Persian-speaking ethnic group. Born among these heirs to the Aryan culture was the legendary Zarathustra.

The majority of ideologists and leaders of the Turkestan Republic, which was created after the victory of the Bolsheviks, were Pan-Turkists: former prisoners of war who were Turkish officers, Uzbeks, Tatars, Bashkirs....

The eminent Russian orientologist Vasilii Bartold wrote in 1925: "When the Constitution of the Turkestan Republic was ratified in 1920, the only 'indigenous nationalities' recognized in it were the Kyrgyz, Uzbeks, and Turkmens. The most ancient residents of the region, the Tajiks, were forgotten...."

The Pan-Turkists strove to create an independent and autonomous Turkestan. Russian and local party functionaries, under Moscow's influence, tried to keep the republic in the RSFSR. The creation of the Soviet Turkestan Republic was a compromise between the two.

The Tajik historian Rakhim Masov in his book *A History of the Clumsy Division* cites the words of Stalin, who recalled at the end of the forties in a conversation with Bobodzhan Gafurov (then first secretary of the Central Committee of the Communist Party of Tajikistan), that the Tajiks themselves did not favor the creation of the Tajik SSR in 1924 and that they did everything they could to impede it. Indeed, a considerable share of the responsibility for this goes to the part of the Tajik intelligentsia, who were educated in Istanbul and inclined toward Pan-Turkism.

As a result, Samarkand, which was populated mainly by Tajiks (in 1915 about 60,000 Tajiks were living there and less than a thousand Uzbeks), Bukhara, and other Tajik cultural and historical centers were turned over to the Uzbek SSR, newly formed in 1924.

There began an intensive Uzbekization of regions inhabited predominantly by Tajiks. In the schools, classes were conducted in the Uzbek language and the management posts were held mainly by individuals of Turkic origins. Many Tajiks began to register as Uzbeks. The 1920 census showed that the number of Tajiks in Turkestan had decreased threefold compared to prerevolutionary times, while at the same time there was a considerable growth of the number of Uzbeks.

The newspaper TURKESTAN in January 1924 wrote: "The Tajiks simply must slowly change over to the Uzbek language and not hold on to the 'special Tajik language,' since their fate has already been decided by the course of the social process."

Incidentally, the Tajik language was the state language of the Bukhara Emirate for several centuries.

The Tajik Autonomous Oblast (and later republic) was formed as a part of the Uzbek SSR "out of the Tajik mountain oblasts." Its "creation will be of great significance, both political and economic, since it will be linked to the great Uzbekistan." (From a stenographic report of

the discussion in the Central Asian Bureau of the Central Committee on the question of the state structure of the Tajik autonomous region in 1924.)

Thus, the mountain and city Tajiks were separated. While the latter were basically assimilated by the Uzbek-speaking population, the Tajiks of Garm, Karategin, and Gornyy Badakhshan (Pamir) preserved their language, traditions, and national identity.

In 1929 a Union republic was formed—the Tajik SSR. Its petition for annexation of the Samarkand and Bukhara okrugs with their mainly Tajik population was denied by the Presidium of the USSR TsIK [Central Executive Committee].

Possibly it was then that the preconditions were created for what today is called the Tajiks' lack of a unified national self-identity. This ultimately led to disproportions in the economic development and standards of living among various regions inhabited by Tajiks and to local discord and mutual hostility. The crack ran between the residents of the relatively well-off northern Leninabad, which borders on Uzbekistan, and the mountain regions of Pamir and Garm, where the standard of living is much lower.

The Mountains Against the Lowlands

The sleepy life of the remote Central Asian hinterland was disturbed by the perestroika authorized by Moscow. People from the regions inhabited almost exclusively by Tajiks—Pamir, Garm, and Karategin—mainly representatives of the intelligentsia, became the nucleus of the Democratic Party of Tajikistan, created in 1991.

The Islamic Revival Party was created in that same year; it included mainly Kurgan-Tyube peasants, poorly educated people, as a rule, headed by their mullahs. In Dushanbe there arose societies that united Tajiks according to their origins. Lali Badokhshon represented people from Pamir; Zarovshan—from Pendzhikent, which is in the south of Leninabad Oblast; Tastokhez—the intelligentsia from Leninabad; Vatan—people from Garm; and Yagnob—people from the center of the Zarovshan valley.

An unprecedented political life began in Tajikistan. Democrats, calling for restoration of national sovereignty, demanded democratic and market reforms at the same time. The Islamic Party demanded the possibility of freely communicating the people's traditional spiritual values of Islam. All of them were opposed by the so-called People's Front—the ruling nomenklatura and clan elite, whose representatives traditionally held major posts in the republic.

The political situation was inflamed once and for all by the rallies of the two warring camps on the Dushanbe's Shakhidon and Ozodi squares, which lasted for several weeks in May 1992.

It was then that the political crisis grew into armed struggle, which led to the tragic civil war. It was then that the idea of the "threat of Islamic fundamentalism" became especially popular in Central Asian and Moscow corridors of power. And they tried most seriously to present and draw attention to the "Islamic problem" in Uzbekistan.

Uzbekistan's 'Preventive Measures'

As long as there existed in Central Asia communist regimes fully controlled by Moscow, Tashkent had no need to fear anti-Uzbek sentiments in Tajikistan related to the events of the 1920's. Rakhmon Nabiyeu, the representative of the Leninabad clan, which was traditionally oriented toward Uzbekistan, also suited Uzbek President Islam Karimov quite well. People who know the former president of Tajikistan quite well say that previously in the space for his nationality he had put "Uzbek," and Uzbek is spoken in his family to this day.

Today Karimov, disenchanted with Nabiyeu's weakness, has been forced to pin his hopes on other figures who are capable of opposing the democratic and Islamic opposition in Tajikistan. And although the democrats and Islamists have never given anyone cause to suspect that they might want to change the borders with Uzbekistan and return the historical Tajik cities, Karimov is undoubtedly afraid of precisely this.

Tajiks of Samarkand and Bukhara (according to various estimates, there are from 1 million to 4 million of them) are the most loyal to the Uzbek authorities; they would not even think of reuniting with their national state, and they are quite satisfied with the cultural rights of national minorities that are granted to them. Nonetheless, Karimov prefers to take "preventive measures." Hence the persecution of dissidents among the Samarkand Tajiks. In particular, the leader of the Samarkand Society, Uktam Bikmukhamedov, was arrested. He was captured in December in Bishkek by Uzbek special services along with the notorious Uzbek defender of the law, Abdumannob Pulatov (see *NOVOYE VREMYA*, No. 52/92).

The policy of the Uzbek authorities—both domestic and foreign—has become especially tough recently. Having "suppressed" his internal opposition, Karimov was no less skillful at demonstrating his power on the outside. Here one must keep in mind the sizable Uzbek diaspora in the states bordering on Uzbekistan. During the past two years in Tajik regions bordering on Uzbekistan, they have begun to cultivate anti-Tajik sentiments among the Uzbeks—"....You are not even local Tajiks but newcomers, from the mountains; there is not enough land for everyone here to begin with, go home to Pamir and Garm...."

In these regions today there are still Tajiks who started living here in the 1950's. At that time, after the war, the first secretary of the republic Central Committee, Bobodzhan Gavurov, resettled Tajiks from the mountain oblasts into the southern and southwestern regions of

Tajikistan. This was also required because of the need for economic development of these regions, which were experiencing a shortage of working hands in industry. Now those whom they have not managed to exterminate have fled....

Immediately after the May events of last year, "People's Frontsman" Safarali Kendzhayev, forced to resign from the post of chairman of the Supreme Soviet of Tajikistan, began to form his own detachments of fighting men. For some reason, he recruited mainly Uzbeks.

When Kendzhayev, counting on support from the 201st Russian division of General Ashurov, made an attempt to take Dushanbe on 24 October, several hundred of his fighting men were killed. The documents discovered on their bodies showed that the majority were Uzbeks.

'The Bear Is Dead, but the Cubs Are Alive....'

Kendzhayev himself was taken out of Dushanbe by Russian troops on a tank. He accused Ashurov of betraying him: At the last moment the general received an order from Moscow not to intervene. An ambiguous role in this tragic story was played by the Russian ambassador in Tajikistan, Mecheslav Senkevich, who had promised support for the rebels through his department.

There should be a special discussion of the role of the Russian division in the Tajik war. It was strangely easy to succeed in attempts to draw it into the fighting on the side of the Safarov and Kendzhayev's men.

Much can be learned from the dialogue between Sangak Safarov and the deputy commander in chief of the infantry of Russia, Colonel General Eduard Vorobyev, whom Safarov quoted in a speech at a session in Khudzhand. Vorobyev: "Wait, Sangak, the bear is still sleeping, but he will awaken soon." Safarov: "No, the bear is dead, but we, the cubs, will bring his work to completion both here and in Russia." Then Safarov thanked Russia and Uzbekistan for their support....

Another statement from Sangak Safarov is also typical: "We (the People's Front—A.D.) have broken the backbone of democracy in Tajikistan, and we shall drive this scum down so deep that it will never rise again, either in Central Asia or in Russia.... (From a speech at a session of the Supreme Soviet of Tajikistan on 25 November 1992.)

A certain Sergey Saurov, who was taken captive while fighting on the side of the "Frontites," speaking on Dushanbe television said that the fighting men of the People's Front had gone through training on Uzbek territory near Termez. They were sent off to fight by an Uzbek general.

About two dozen tanks participated in the December storming of Dushanbe. The warring sides did not have this much armored equipment previously. According to the testimony of one of the officers of the 201st division,

who wished to remain anonymous, these tanks were purchased by the preceding Tajik Government but were detained in Termez and turned over by the Uzbeks to the People's Front somewhat later. Moreover, in that same city, Termez, there is a fleet of armored equipment used in Afghanistan. Today it is being used in Tajikistan.

In Tashkent they do not make a big show of their participation in the Tajik war, but neither do they carefully try to conceal that this is their war also.... When Kofarnikhon was subjected to an attack by aircraft "belonging to unknown forces," in Dushanbe they hastened to make clear that the flights were made by Uzbek aircraft at the official request of the Tajik Government.

Slaughter Local Style

Safarov, speaking on television in Dushanbe at the end of December, warned: "If the people of Pamir do not lay down their weapons, we will break their arms and legs and drive them off to Afghanistan."

The scores were settled according to local habitation and not at all according to ideology. In Dushanbe People's Front fighters burst into buses shouting: "Uzbeks and Russians stay in your seats; Tajiks—out!" And if among the latter there were any from Pamir, their corpses could be found the next morning.... Events followed this scenario in the city on 24 October, when Kendzhayev burst in there, and it is what is happening now as well.

That political persuasions have nothing to do with this is shown by the humiliation of the family of the chairman of the Communist Party of Tajikistan Shodi Shobdolov, who came from Pamir. Thus they killed the well-known actor Muso Ishoyev, who appeared with Mikele Plachido in "Afghan Break"; a colonel of the National Security Committee, Akhmad Yegibekov; and literally a couple of days ago—a senior lieutenant of the Russian division, Bekhman Lutfaliyev, who was also from Pamir....

Why are they killing off people from Pamir? After all, just recently these people tried to observe neutrality in the conflict and attempted to be a buffer between the warring sides. The reason is simple: By becoming the skeleton of the people's volunteer corps that defended Dushanbe, they unleashed Kendzhayev's fury.

Persecution of people from Garm and Pamir is going on practically all over Tajikistan today. They make up the main mass of refugees pushing toward the Afghan border.

Kurgan-Tyube and Kulyab Oblasts, now united into Khatlonskaya Oblast, have been essentially "purged" of the locally "alien Garm element"; their property has been pillaged and their household livestock driven away. In Shaartuz and Regar, places where mainly Uzbeks live, there are no people from Pamir left living....

About 100,000 refugees have already gathered in the region of Mazari-Sarif and Khayraton on Afghan territory. Attempts on the part of Russian diplomats to draw the attention of the current Tajik authorities to the tragedy of

the refugees have met with no success; they prefer to solve the problem with the help of weapons, and they are not against bringing the Russian military in on this.

The current "winners" in Tajikistan understand that the immense number of Tajiks driven from their land is a threat to the regime. Therefore, there has been an unprecedented behind-the-scenes struggle for influence on the leaders of Afghan armed formations who control the situation on that side of the border. They are especially active in Tashkent, trying to drive a wedge between Uzbek General Dustum and the Tajiks Akhmad Shakh Masud and Rabbani, who previously together made up an alliance against the Pushtun leader of the "irreconcilable" opposition Khekmattiar. Dustum's people and he himself frequently appear in Tashkent, where they are clearly not interested in increasing the influence of Tajiks in Afghanistan, whose number is reaching 8 million.

Was the Treaty on Security Violated?

The problems that are inevitable for Tashkent are now threatening the current situation in Tajikistan itself, and Safarov and Kendzhayev are fitting people—one with a criminal past (and present) and the other with a criminal way of thinking. And people like the chairman of parliament Emomali Rakhmonov, in spite of their status, cannot be regarded as independent political figures—the influence of People's Front leaders on them is too obvious.

Central Asia and Russia also bear responsibility for what is going on. At least as long as there are troops under their command stationed there. Sometimes, it is true, one gets the impression that the influence exerted by the Uzbek authorities on the command of these troops is much more appreciable than that of Moscow.

And Moscow's attempts to influence Tashkent for purposes of political regulation of the Tajik problem have had no results so far. At the May meeting of CIS heads of state in Tashkent, Yeltsin proposed a plan for regulation within the framework of all Central Asia, and Karimov set it aside at the time. But as early as summer, fearing a development of events undesirable for himself, he proposed a treaty for collective security of the CIS countries and began to urge Russia to take stiff military measures with respect to Tajikistan. But without waiting for this from Russia, Uzbekistan "took measures" itself.

But the treaty envisions intervention in the affairs of the other state only if a threat to security appears from the outside. Nobody has threatened the security of Uzbekistan.

Possibly in Tashkent they hope that the bilateral agreement signed by them with Tajikistan in January at a meeting of heads of states of Central Asia will be a justification of Uzbekistan's policy. But that happened later, after the Safarov-Kendzhayev People's Front had come to power in Dushanbe with support from Uzbekistan....

ARMENIA

Significance of Replacement of Prime Minister Viewed

934K0314A Moscow ROSSIYSKIYE VESTI in Russian
17 Feb 93 p 2

[Article by Aleksandr Iskandaryan: "Volte-Face in Yerevan: The New Armenian Prime Minister Starts With a Visit to Russia"]

[Text] With the disintegration of the USSR, its former republics, once equidistant from the Russian center, have suddenly been pushed unequal distances away from it, both in reality and in people's consciousness. Just a few years ago the problems of Armenia and Karabakh were greatly disturbing to the Russian community—they were at that time "part of us." Today Armenia has found itself among the most distant countries among the immediate neighbors: Armenia has no common borders with Russia. And the problems of today's Armenia are outwardly wholly dissimilar to Russia's problems, and there are, seemingly, neither example nor lesson to be drawn from Armenian policy of recent years.

Yet Armenia consists of more than just the Karabakh problem. If we abstract ourselves from the war, Armenia represents a model of state development, perhaps quite an interesting one, what is more.

A notable event occurred in Yerevan recently: Khosrov Arutyunyan, prime minister of the republic, was dismissed. At the last session of the republic parliament, during discussion of the budget and the program of Armenia's socioeconomic development for 1993, Arutyunyan condemned the—in his view—inordinately rapid pace of privatization, and advocated the increased social protection of the populace and the subsidies to state-owned enterprises. The Armenian Security Council was convened in the evening of the same day, at which President Ter-Petrosyan declared that he would demand the prime minister's resignation. The next day the decree on Khosrov Arutyunyan's resignation was signed.

The president appointed as acting prime minister the 34-year-old Grant Bagratyan, the present minister of economic affairs. Several days later Bagratyan was appointed chairman of the government, and within the next week Ter-Petrosyan will present the new cabinet for parliament's approval. It has already been announced that three-fourths of the cabinet will remain the same as before. It is expected that a new foreign minister will be appointed, and there is to be a reshuffle in the president's staff also.

In the political sense these changes could signify a change of government policy in the sphere of the economy. Khosrov Arutyunyan and Grant Bagratyan represent two opposite currents in the economy. Arutyunyan is a classic representative of the old corps of directors. He worked in industry for a long time, was head of a large plant, and then served in the party authorities, occupying in them offices connected with economic activity, and

has all the merits and shortcomings of the directorial elite of Soviet conditioning.

The biography of the new prime minister of Armenia is far shorter and also typical in its fashion. An economist, scholar, higher educational school lecturer. While still a very young man, Bagratyan became a part of the public movement which emerged on the wave of the Karabakh crisis. Since the present Armenian leadership came to power Grant Bagratyan has held various positions in it, the office of deputy prime minister included. He was a member of the group which undertook preparation of privatization of the land; Armenia, incidentally, was the first and only former Soviet republic in which 84 percent of the land was transferred to private hands—in a very short time, what is more.

In a sense, changes the opposite of those in Russia have occurred in Armenia, that is, the Armenian "Chernomyrdin" has been replaced by an Armenian "Gaydar." This direction of development is far from being as prevalent as its opposite, but is partly similar to the appointment of the "marketeer" Kuchma as prime minister of Ukraine. In both Ukraine and, to an even greater extent probably, in Armenia, the need for such a change was brought about by the obvious failure of the economy owing to the slowdown in the pace of the reforms. Of course, in Armenia the failure has been accompanied by war and blockade, and, in addition, war demands a centralization of the economy, nor would it seem all that fortunate a moment for a change of economic course. Nonetheless, it has transpired that the former structures, with the severed relations and monstrous disproportions, are not susceptible to "treatment" by centralization.

Come to that, it is not known whether the new government headed by the new chairman will be able to "raise" the Armenian economy since all too much will depend on external factors. As long as the blockade continues and Armenia receives no electric power or fuel, a burgeoning of industry, for example, is not to be expected. Nor will anyone purchase the enterprises given the complete lack of fuel and raw material.

Grant Bagratyan understands this, naturally. As Yerevan has announced, one of the new prime minister's first steps will be a visit to Moscow, for Armenia is not only closely linked with Russia but remains the sole member of the CIS in the Caucasus.

AZERBAIJAN

UN Aid Targets Azeri Refugees From Armenia, Karabakh

PM2402170193 Moscow IZVESTIYA in Russian
20 Feb 93 p 2

[Sokhbet Mamedov report under "From Our Correspondents and News Agencies" rubric: "UN Aid to Azerbaijan"]

[Text] Baku—The United Nations has drawn up a program to give Azerbaijan humanitarian aid to the value of more than \$2 million.

The Azerbaijan president's press service has reported this, citing Gasan Gasanov, the republic's permanent representative at the United Nations. The aid is being addressed to 53,000 of the Azeri refugees from Armenia and Karabakh who have suffered most of all. The first freight consignment will be delivered to Baku within the next few days.

GEORGIA

CMP Leader Threatens Georgia With 'Hundred Years War'

*AU2302142693 Tbilisi REZONANSI in Georgian
16 Feb 93 p 2*

[Article by Lasha Gelovani: "Shanibov Threatens Georgia With a Hundred Years War"]

[Text] Musa Shanibov, president of the Confederation of Mountain Peoples [CMP] and vice-president of the Kabardinian People's Congress, has been in Gudauta for a number of months now. He is in charge of the "Headquarters for Aid to Abkhazia." He gave an interview there to a correspondent from "Radio Liberty."

Shanibov told the correspondent: "While the war continues, I have to be in Abkhazia. I shall return home when it is over." It seems that Shanibov is certain that his mission will end in success. He told "Liberty's" correspondent that Georgia will not win the war so long as there are peoples living between Sukhumi and Derbent [Dagestanian port on the Caspian Sea].

As Shanibov maintains, Georgia will be unable to win the war in Abkhazia. "There will be as many CMP volunteers in Abkhazia as will be necessary," said Shanibov. "We can hardly restrain the people, there are so many willing to come. If Georgia does not abandon the idea of a military solution to the Abkhaz problem, there will be a hundred years war here," stated Shanibov.

In spite of the fact that the leaders of Chechnya, Ossetia, and Ingushetia, have officially told the "Headquarters for Aid to Abkhazia" that they refuse to send volunteers to Abkhazia, Shanibov is not finding it difficult to hire people. The great majority of volunteers are coming to Abkhazia for money. This is conditioned by the high percentage of unemployed in the North Caucasus. According to the latest figures, 300 more volunteers have joined the Abkhaz separatist government, mainly North Caucasians.

The "Headquarters for Aid to Abkhazia" has active contacts with the leaders of Kabardino-Balkaria and Adygea. Last autumn, Kabardino-Balkaria's President Kokov was resolutely opposed to interference in Abkhazia's affairs. However, on 12 February, he received Ardzinba's deputy Ozgan in Nalchik and held talks on "the exchange of plenipotentiary representatives between Abkhazia and Kabardino-Balkaria."

The CMP president believes that the Abkhaz war is a yardstick by which the future happiness of the 16 Caucasian peoples (the representatives of 16 nations are united in Shanibov's Confederation) is to be measured. "It is now precisely here that our future fate is being decided," said Shanibov.

Musa Shanibov believes that, in order that peace may reign in the Caucasus, Russia's leadership has to enter into a more active dialogue with "Caucasia's nonformal leaders." It is also essential to hold early elections. According to Shanibov, it is difficult to call Russia's current leadership democratic. Shanibov is particularly displeased with President Yeltsin, who is not giving "any people, even the smallest, a chance of survival" and not granting them "a guarantee of independence." Shanibov regretted that, in his time, he expended great efforts in the Caucasus on a campaign of support to get Yeltsin elected president. As can be seen, Yeltsin has not justified Shanibov's hopes. "Today, we no longer believe Yeltsin," the Confederation's leader pointed out.

Shanibov has concluded from current events that Russia is conducting a policy of coercion in this region. However, this could lead to a second Russian-Caucasian war.

As is known, Russia's procurator, as early as last year, instigated criminal proceedings against Shanibov. In answer to the question whether his presence in Abkhazia was connected with his fear of justice, Shanibov replied: "The most important thing is to win the war and then let them arrest me, let them charge me. I do not intend to hide."

Economic, Defense, Social Situation in Ajaria

*934K0313A Moscow ROSSIYSKAYA GAZETA
in Russian 19 Feb 93 p 7*

[Article by Mikhail Gusev: "Foreign Country Courier: At All Meridians. 3,000 Square Kilometers of Peace. Ajaria—An Oasis of Peace and Quiet in Georgia"]

[Text] Among the warring neighbors in the former Union the saddest "all-Union record" belongs to Georgia—two ethnic conflicts at the same time and, essentially, a civil war. And only this tiny maritime autonomous area is not on fire. Some 3,000 square km of anxious peace within 70,000 square km of war. It is called the Ajarian phenomenon. Such are the times—the normal is surprising.

Ajarians themselves think that are being kept away from this fratricidal score-settling by the unquestionable authority of Aslan Abashidze and the unconditional support for his strategy and tactics by the people, who have seen their warring neighbors, the Russian Army, which they now call their own, and the economy, which is pushing for a zone of free entrepreneurship which cannot be achieved without a stable peace.

ASLAN. That is what everyone calls him here. The chairman of the Supreme Soviet of Ajaria is a prince. His

family goes back five centuries in Georgia, and his ancestors were in the good graces of the Russian tsar. This is important for the people, who do not understand statehood in a European way at all.

The people trust their prince, and the prince is not afraid of his compatriots: having received the power from them, he disbanded subdivisions of the "Mkhedrioni" and national guard and armed his people. They shot at him for this: 17 bullets from a distance of seven meters. They wounded him. Then they tried to blow him up with TNT. But it merely increased his popularity.

Abashidze came to power with his entire command, which was made up of professionals who were devoted to him. For this he was accused of not having opposition and of being a dictator. In response he used as a "trump card" peace and tranquility on the territory entrusted to him.

They say of him that, taking advantage of the weakness of the Georgian leadership, he does what he pleases. But what does he want? That is the question:

"Open your eyes. As long as such powers as Turkey and Iran have interests here, Russia will have interests here."

And then he is called an enemy of Georgian sovereignty who has forgotten about the imperialist ways of the Russians. Abashidze gets this confused:

"When we lived in the Union it was a burden. For Russia. We must learn to live together but differently."

For this they say about him that he is pro-Russian. Although in fact he is very pro-Ajarian. For the prince, Ajaria is a holy place. From its history he knows that the holy place is never empty.

THE PEOPLE. There are not many in Ajaria—450,000. But there are dozens of nationalities. There are many Russians—more than one-third of the population—and they settled here so long ago that they are referred to as Ajarian Russians or our Russians. And nobody is driving them out of here. Almost all the higher education has been "brought" to Ajaria from Russia. That is probably why the word "Russian-speaking" never took root in Ajaria—here everyone speaks Russian. And that does not bother anybody.

And if the Russians in Ajaria are afraid the fire might spread from Abkhazia and Western Georgia to their peaceful land, they are no more afraid than the Georgians, Armenians, Greeks, Jews, Abkhazians, and Ukrainians who live alongside them as neighbors. They will have to defend themselves together. The weapons were not distributed according to nationality. And the Russian Army, no matter what they may say about it, is defending not Russians in Ajaria but Ajarians in Georgia.

THE ARMY. The Russian Army in Ajaria is the 145th motorized infantry division and the Batumi border detachment. There are plenty who want to get rid of

them. But not in Ajaria. When the deep snow cuts off the outposts from the main region, the peasants take home-made bread to them on foot. When people in the mountains are snowed in, Army bulldozers free the mountain villages from their captivity. People here understand what will happen if the Army leaves and its arsenal is spread throughout Georgia. The people in the mountains understand and so do those down below who are urging the withdrawal of the troops. There do not seem to be any internal factors for stabilization, but the external ones could ripen any minute.

Because, according to estimates of military specialists, the "fire" stored in the Batumi warehouses is quite enough to last until the year 2000, even if they were to fire weapons for days on end. And if they were blown up, Batumi would drown in the sea. And these warehouses are practically not guarded: How long would it take to deal with just two soldiers running out at the sound of the truck.

At one time the division was backed up and it could perform any combat task. Today, when it has only 10 percent of its designated number of soldiers, and majors and lieutenant colonels stand guard with automatic weapons in their hands, it is—a target. And how can it be protected if their legal status is not determined, these troops who have suddenly ended up on the other side, and each officer's memory holds an example of when one of his colleagues in Azerbaijan was sentenced to death simply because he stood guard duty strictly according to regulations.

This indefiniteness has a response in Russia as well. Fathers and mothers suddenly started coming from Mordovia for one purpose—to take their sons out of the "hot spot." But they left without their sons, having been convinced that they were serving the way they were supposed to, that the spot was not "hot."

"We support the government here and are grateful to them for their help," the officers told us, "but our own Russian government has betrayed us."

That is harsh, but... Ajaria gives the troops fuel, and it feeds them. Their home commissary allotted the officers a kilogram of sugar each per year. They did not even give them vouchers—since they do not live in Russia. And Georgia does not allow them to privatize housing—they are not citizens. Many of them want to return home, but where is home to the homeless?

"If we are not needed here we will leave," says division commander Kuzhilin. "If we are needed, do not turn us into a laughing stock."

And Lieutenant Colonel Sergey Shanshin, who is responsible for all the borders in this region filled with fire hazards, is certain:

"It is very expensive for a self-respecting state to maintain a cheap army."

Today Ajaria is not protected from the air or sea, and it is poorly separated on land. And it is very attractive. On the leaky wall of the day room of the Khichaur border detachment, which guards 97 km of mountain border, the Zaporozhye troops, laughing, write a letter to the Turkish sultan. The border guards assure us that it was from here that they handed over the addressee. Turkey is only six km from here.

THE ECONOMY. This land can be reliably protected only with the help of capital. And the more international it is, the better.

At one time Ajaria was in contact with 247 cities of the Union, of which 143 were Russian. As a result Ajaria produced 614 million rubles' worth of industrial output each year. Today its oil refinery is starving without oil, the footwear manufacturers are sitting around without leather, and fewer and fewer ships call in the port. The budget has a hole in it amounting to more than a billion rubles. By the standards of Russia, which earns a trillion a month, this is chicken feed. By the standards of Ajaria, whose budget does not even amount to 3 billion, it is a disaster. And the tiny Ajaria promptly pays its taxes into the treasury and feeds its warring neighbors in Georgia, who, it turns out, have no reason to build a bonfire here. In Tbilisi they hope that the Ajarian peace will be stronger than the Abkhazian war.

There is only one way out—a free economic zone. Ajaria has everything it needs for this—a unique port, a powerful oil transshipment base and oil refinery, a shipping line which has almost one-third of the tankers of the former Union, citrus orchards, tobacco, tea, and luxurious health resorts.

But with the goods it has today it is not likely to interest the world market. People here are convinced that without Russia the free zone will shrink and it will be impossible to get the skidding Ajarian economy started. The Americans have long had their eyes on the Batumi port and are offering to supply it with 49 percent of the necessary capital and divert ships from Turkey and Iran here.

The British are looking at it as well. But not Russia, which has lost practically all of its harbors. All one would have to do would be create an Ajarian-American Liberty Bank in Batumi and 63 foreign companies would rush to open accounts in it. Turkey maintains a consul in Batumi but Russia does not.

Ajarian industrialists say that there are past offenses and present stupidity standing between them...

The Georgian maritime shipping line, which is based in Batumi, accumulated money for many years in the USSR Vneshekonombank [Bank for Foreign Economic Activity]. The real thing—\$40 million. They were hoping to update their fleet. The bank crashed, like the Union, and nobody is responsible for its debts. Ajarian ships when hauling cargo inside the ruble zone for some reason have to pay in dollars each time they call in Russian ports. The Batumi transformer plant pays the Lipetsk metallurgists 30 rubles for a kilogram of metal and 75 rubles...to haul this kilogram through the "transparent" border. Its goods return to Russia—is it reasonable to throw a customs duty on them, essentially taking money out of the pocket of the Russian buyer of the Batumi transformers? There are plenty of examples like this.

All forces of the economy draw Ajaria to Russia, trying to build a reliable bridge between Moscow and Tbilisi. Alas, in economics you cannot get away from politics: the strength of the Russian-Ajarian handshake is by rights dictated by Tbilisi.

But it is completely within our power and rights to have special economic relations on the basis of a business agreement, into which a certain amount of politics will inevitably be interspersed. Which, to be honest, must also take into account the fact that Georgia owes Russia a significant sum, exceeding half of its annual budget, and that it is Russia—and not the East and West on whom the Georgian leaders have placed their bets—that financed the lion's share of its budget deficit.

But all Ajaria is left with are crumbs from this pie. Which is why it wants to conduct a dialogue on industrial subjects without intermediaries—directly. And this is feasible if, of course, Georgia finally gives a guarantee of protection of Russian property.

It is possible and necessary to invest money in the health resorts and the port, to fix the border up right, but... Will they not tell us in a year or two: "Goodbye and do not be upset—it was yours and now it is ours..." Tbilisi politics is strict on this account.

But, as they say in Ajaria, if people want to kiss, their noses do not get in the way.

LATVIA

Rouble Banned From Latvian Market

934K0381A Moscow MOSCOW NEWS in English
No 7, 11 Feb 93 p 8

[Article by Agris Peterson: "The Rouble Banned From the Latvian Market"]

[Text] Beginning from January 25 no cashless roubles from the CIS countries can be bought in Latvia. By imposing the ban the Bank of Latvia tacitly recognized the inefficiency of the cumbersome settlements system with the CIS countries the republic introduced last year. When the Latvian rublis emerged on the scene the roubles were classified according to which country they came from. A special buying and selling rate for rublis was established for every class of roubles.

Latvian businessmen had to open 14 different accounts for their enterprises for each class of roubles. Reciprocal settlements were no problem. You get, say, carbovantsy, enter them in your account and then use them to pay your Ukrainian partners. But in cross-settlements problems arose. Suppose a Latvian businessman has sold his goods for roubles in Russia. He has to pay for raw materials in Ukraine. Willy-nilly he must first find a buyer for Russian cashless roubles and turn them into cashless rublis. Then he buys cashless carbovantsy for rublis before he can effect a settlement. It's a "heads you win, tails I lose" situation. From the first day this settlement system was introduced the Bank of Latvia put the Latvian rublis in a privileged position. By early 1993 one rublis in Latvia cost 3 Russian roubles and 5 Ukrainian carbovantsy. And now Latvia has stopped buying roubles from other CIS countries.

The reason given by the Bank of Latvia is simple: there is no demand for roubles. It is true that no one in Latvia is in a hurry to buy cheap roubles from other countries. There is no way one can use them in Latvia and buying rublis or currency is also risky. You have to open a special account, transfer the rublis to an unknown bank in another country, buy some unknown goods, ship them across several borders and sell them before getting your rublis. There is more to be lost than gained in all these transfers of money and goods. And yet one doubts the Bank of Latvia's glib statements that the rublis has won its battle against the currencies of the CIS countries. If anything that victory has added to the bewilderment of Latvian business people. They have more difficulty selling their goods in the CIS countries because the higher the rate of the Latvian rublis the higher the price in roubles. And if the price has increased 3-5 times within several months, the demand is sure to fall. It is not by chance that Latvian enterprises have accumulated more than 13 billion rublis' worth of unsold stocks of goods, and that on a very conservative estimate. The hardest hit are small firms which have no permanent links with partners in the CIS countries and rely on one-shot deals. They don't know what to do with the

roubles that will come to them from the accounts of clients outside Latvia. Formerly the roubles could be sold to the Bank of Latvia. Now they can only look to the commercial banks which too are not anxious to buy a weak currency.

Latvian Town on Industrial Deathbed

934K0381B Tallinn THE BALTIC INDEPENDENT
in English 29 Jan 93 p 10

[Article by Matthias Luikens in Daugavpils]

[Text] The only thing that seems to function normally in the southern Latvian town of Daugavpils is the battered old tramway which circles the town centre every five minutes, seven days a week. The rest of the city of 130,000 people is on the verge of collapse. The economic crisis affecting the Baltics is sharply felt in this industrial town where most of the big factories have stopped production and are facing bankruptcy. Most of the workers are on unpaid leave, and the companies are unable to cover the production costs or even buy raw materials from Russia.

The chain-belt plant which once produced bicycle and tractor chains and tricycles for the Soviet Union has lain idle since September. The 4,000 employees are on unpaid leave. The administrative building is unheated, and even the electricity is cut, closing down the elevators. The scene is similar to many Daugavpils factories as production costs skyrocket due to the energy crisis.

At the railway depot which once serviced all the USSR 2TE-10M type steam locomotives, the 3,500 employees are working only three days a week, now repairing 23 instead of the previous 74 locomotives a month. Director Emil Busch attributes the decline of work to the general decline of the freight train volume in the CIS. "It was stupid to repair only one kind of locomotive," he recalled, even when some had to be towed there from Vladivostok. The workshop is trying to restructure and redirect its activities towards the Latvian and Baltic markets, now also servicing some electric trains. "Even if we repair all the locomotives in the Baltics we cannot fill our work capacity," sighed the director. The restructuring has so far not been successful, and these all-Union plants are a heavy burden for the Baltic republic.

The adjoining furniture plant has already laid off half of its 1,050 staff and the rest are working four days a week. The warehouse is full of unsold Soviet-standard beds and closets which nobody can afford in Latvia, and which are unfit for export to the West.

Export to the east has been stalled by the introduction of the Latvian rouble, which has gained considerable ground against its Russian counterpart, making Latvian products too expensive. Most of the industrial leaders in Daugavpils are unhappy with the policy of the Latvian state bank which, in their opinion, ruins industry. There is fear of widespread unemployment in Daugavpils within the next few months.

The official rate, quoted as 3 per cent, does not include unpaid leave and hidden unemployment, said Viktor Kapiliush, the head of the unemployment office. Outside the office on the main pedestrian mall long queues have started to form since December. "We might hit the 20 per cent mark in the spring," he predicted. If the government does not take immediate measures we are facing a social explosion," he warned. [quotation marks as published] "The people who come to see us are like sick people without any hope of recovery," he added.

Most of the factories have not paid their workers for the past months and many barely survive on their savings. Pavel Issaenko, a guard at the locomotive repair shop, has not been paid since October. Neither his wife nor his son have been paid since September. "Even if I were paid my 5,000-rouble salary I could not afford the 6,000-rouble rent for my apartment," he said.

At the Town Hall, Mayor Valdis Lauskis acknowledged that only a quarter of all inhabitants pay their rent, heating or electric bills. "It is impossible to cut the central heating to those who don't pay or to throw them out of their apartment," said Mr. Lauskis. For the time being the city survives on the taxes paid by the chemical plant which employs some 4,500 workers and is the only factory which still functions normally although output is down 30 per cent over the past year.

"In the current situation we strive to survive," explained the commercial director of the plant, Alexei Vidaski. "Russia still needs our production," he said. His company produces 25 per cent of all the synthetic fibres and textiles used in the production of car tyres in the former USSR. "The major mistake," he asserted, "was to settle the plant here in the first place since Latvia didn't have either raw materials or a labour force."

The face of Daugavpils has drastically changed under the Soviet regime through industrialisation and Russification. The town, which counted 40,000 inhabitants before the Second World War (one third of whom were Russians and Poles) has now more than three times as many inhabitants, and Latvians constitute only 13 per cent of the population. "For most Russians here the 'secession' is a tragedy," said Mr. Vidaski. The uneasiness of the mainly Russian population is growing and many are nostalgic about the past. As one foreman said, "Under the Soviet Union we at least had a future."

Political, Economic Confusion Precedes Elections

934K0381C Tallinn THE BALTIC INDEPENDENT
in English 12-18 Feb 93 p 7

[Article by Valdis Berzins in Riga: "Latvia: The Season of Betrayed Expectations"]

[Text] Hardly a single day passes without a new shop or bistro opening in the Latvian capital. Western investment and ill-begotten local money is rapidly changing the face of Riga: new hotels, restaurants, shops and those

most characteristic establishments of Western civilization—banks—dot the streets. But the glossy signs, abundance of goods in the shops and praise of the International Monetary Fund for the tough monetary policy of the Bank of Latvia does not warm the hearts of local residents.

Prices are catching up with Western standards but wages are lagging far behind. Latvian workers get an average wage of 8,000 Latvian roubles (US \$50) a month, about eight times less than their Polish counterparts. There is much talk of Latvia rejoining Europe but it will be a long time before Latvians live on par with the rest of Europe.

It may seem paradoxical, but the Latvian rouble remains an island of relative safety in the rough seas of economic turmoil. After its introduction in July last year, many economists predicted it would lose the contest with its Russian namesake.

But against the odds the Latvian rouble is alive and kicking at the stable rate of about 170-175 roubles per US dollar, having dropped from 120 Latvian roubles per dollar in May 1992. The relative stability of the Latvian rouble (LVR) has been achieved due to the tough stand of the President of the Bank of Latvia, Einar Repse, who flatly refuses to accept the demands of the government and Prime Minister Ivars Godmanis to print extra money to cover the state expenses and avoid the growing budget deficit.

Many economists and financial experts support Mr. Repse's position: there should be no need to print extra money as the amount of goods and services produced has not increased. The directors of the big plants built in Latvia during the irrational industrialisation drive of the 60s and 70s complain that the exchange rate of the LVR against the Russian rouble (which has risen from a 1:1 ratio to 1:3 and even 1:5 at the beginning of February,) is driving them relentlessly towards bankruptcy. Many of the state plant directors, accustomed to receiving fixed orders from the military-industrial complex are now in a fix, unable to adapt to the rapidly changing environment of the market economy.

On the other hand, new business structures are springing up, sometimes overlapping with criminal activities. About 45 million roubles worth of non-ferrous metals meant for export were detained by Latvian customs and police in 1992. Even cautious estimates indicate that at least ten times more copper, zinc, nickel and cobalt have found their way across the border to the West swelling the bank accounts of a handful of shady dealers.

The rapidly deteriorating economic situation makes an uneasy bedfellow for the expanding political contest in the lead up to the parliamentary election in June. The unity that served Latvians so well in the drive for independence, is rapidly dissolving, leaving newly formed political parties and groupings involved in bitter squabble over policy.

The Latvian Popular Front, forerunner in the independence drive, has largely lost its authority. Prime Minister Ivars Godmanis, who is widely blamed for the government's ineffective policies and corrupt practices, is still a member of the LPF policy making board. In an attempt to whip up its waning popularity the LPF is trying to form an election coalition with the Latvian National Independence Movement.

Permanent squabbles and rifts are an endemic disease in Latvian politics. There is not a single political party that has not split, including the LPF. Many well-known politicians are involved in bitter and highly emotionally charged disputes.

Economic dislocation and political deadlock have largely eroded public faith in political leaders. Polls show that only 8 per cent of the population hold a favourable opinion of the Latvian government.

It is highly unlikely that a repetition of the Lithuanian scenario will take place in Latvia, providing the Democratic Labour Party (former Communists) with a victory in the forthcoming election. However, if LDP will be able to forge an alliance with the Social Democrats and the Farmers' Union, they may come close to drawing a winning card.

Only citizens of Latvia prior to 1940 and their descendants are entitled to take part in the election on June 5. The problem of citizenship will be left for the new parliament to solve.

About one million Russian-speaking inhabitants of Latvia remain a largely dormant political force. Some local politicians (including former Foreign Minister Janis Jurkans, who is an ethnic Pole) and others in Moscow may be tempted to make political capital out of this.

Although harsh economic reality has betrayed expectations, few Latvians, if any, would trade their nation's future—however uncertain for its past.

Russians Angered by Grave Move

934K0381D Tallinn THE BALTIC INDEPENDENT
in English 12-18 Feb 93 p 9

[Article by Stephen Wolgast: "Grave Move by Latvia Angers Russians"]

[Text] A parliamentary decision to move as many as 200 graves of Communist Party members from an historic Riga cemetery is being accepted by Russians as final, after a week of invective from Moscow and Latvia's ethnic Russians.

A resolution to restore the Brethren Cemetery, where Latvia's war dead are commemorated and buried, to its original, pre-Soviet condition has angered Russians since the remains of their compatriots would have to be reinterred.

Renovation of the cemetery would require moving about 200 Communist graves, according to parliamentary deputy Ojars Blumbergs, author of the bill. After the bill was passed on February 2, Russian news reported that hundreds of Soviet soldiers would be moved. In a press release, Mr. Blumbergs replied: "Almost three quarters of the graves which will be affected by reinterment are those of female Bolshevik party members."

Two parliamentary groups, the Democratic Initiative Centre and Equality, have attacked the decision as "virtually a carte blanche to rebury anyone", BNS reported.

Designed in the 1920s as a memorial to Latvian riflemen who fell in the First World War and in the independence battles, between 1918 to 1920, the cemetery was left in a state of disrepair by Soviet authorities. Until about 1970, visitors were forbidden to enter the grounds, and the "placement of flowers... in the cemetery could and often did result in imprisonment or deportation," according to Mr. Blumbergs. The cemetery was untended for at least three decades.

Communist Party members and military officers were buried there during the 1970s, in spaces intended as landscaping. The Supreme Council's resolution calls for the restoration of the grounds to their original design, which means moving the graves located in decorative areas.

The Russian Foreign Ministry in Moscow warned of retaliation. "If our fears that the planned reburials will involve the graves of Russian soldiers who died in the battles for liberating Riga are confirmed, this will evoke a response from Russia," said Alexander Udaltsov, a ministry official, according to BNS.

"The information being disseminated by Russia's mass media regarding the mass exhumation of Soviet soldiers... is provocative and false," Mr. Blumbergs said. The graves to be moved are those of Party officials and their wives, he said, not soldiers.

Relatives of those whose graves are in question have been asked to move them to other cemeteries in and around Riga, Reuters reported.

LITHUANIA

Government Shores Up Hard Currency Reserves

934K0388A Tallinn THE BALTIC INDEPENDENT
in English 29 Jan-4 Feb 93 p 5

[Article: "Vilnius Forces Currency Sales"; first paragraph is THE BALTIC INDEPENDENT introduction]

[Text] The Estonian parliament on January 26 relaxed the country's law on hard currency, allowing companies to open foreign currency accounts, with the permission of the central bank. A statement said the central bank no

longer considers it a danger to the kroon to have foreign currency accounts in Estonian commercial banks.

State-owned enterprises in Lithuania must sell 25 per cent of their hard currency earnings to the Bank of Lithuania beginning in February, writes Peter Morris.

The government's decision of January 20 was taken to shore up hard currency reserves, depleted by the enormous cost of fuel imports from Russia.

The hard currency will be purchased by the central bank on the 15th of each month at a rate, determined by averaging the buying and selling prices of the talonas at major commercial banks, Valentina Peleckiene, a Finance Ministry consultant said. Only companies' profits made after February 1 will be affected.

Prime Minister Bronislovas Lubys said this process would strengthen the talonas, Lithuania's provisional coupon. There are no plans, however, to hold the foreign exchange in a reserve fund. The money will be available for sale to companies that require currency, mostly importers of oil and gas.

The International Monetary Fund supports the move and proposed that the ruling be extended to cover all companies in Lithuania, not just those owned by the state. This "surrender requirement," according to Per Hedfors, the IMF's representative in Vilnius, will help the economy by putting hard currency on the open market where all enterprises can buy it.

Parliament will decide by the end of the month whether private enterprises will be subjected to the ruling. If they are not, it is still to be decided what percentage of the shares of a company must be owned by the state for the business to be subject to the requirements.

Firms which pay heavy taxes in foreign countries, such as airlines or shipping firms, may receive special exemption.

Emigres Leaving Lithuania's Government Ranks

934K0388B Tallinn THE BALTIC INDEPENDENT
in English 5-11 Feb 93 p 8

[Text] When Lithuania's former leader, Vytautas Landsbergis, first came to power, his inner circle was packed with young Americans and Canadians, who had returned to help a homeland which in many cases they hardly knew. Mr Landsbergis once described them as "the people I can trust". His own brother, Gabrielis Zemkalnis, comes from the wing of the family based in Australia. Foreign diplomats and journalists were impressed, usually positively, by the skill and diligence of the volunteer press officers and foreign affairs advisers.

Three years later, there are very few emigres to be seen in Lithuanian public life. Those who had not left during the post-independence doldrums were quick to hand in their resignations when the LDDP, successor to the pro-independence wing of the Lithuanian Communist Party, won power last autumn. One Foreign Ministry adviser

observed with horror that the new tenant of his office, in a highly sensitive department, was a man known only two years earlier as a diligent KGB operative.

Some, however, have stayed on. The Defence Ministry has a distinguished former career soldier from the US, helping draft military doctrine, and foreign Lithuanians are working in the environmental protection department and in education.

Central Bank Chief Survives No-Confidence Vote

934K0388C Tallinn THE BALTIC INDEPENDENT
in English 5-11 Feb 93 p 4

[Article by Ausra Maldiekiene in Vilnius: "Bank of Lithuania Chief Survives Parliamentary Vote"]

[Text] The embattled head of the Lithuanian central bank, Vilius Baldisis, has lost a vote of no-confidence by the country's parliament, but survives in office. The motion, on January 26, was proposed by the biggest group in the Seimas—the LDDP (Lithuanian Democratic Labour Party)—and backed by the country's previous prime minister, Gediminas Vagnorius, who demanded Mr Baldisis' resignation on behalf of the opposition.

Despite widespread calls for the removal of the much-criticised banker, support for the no-confidence motion fell short of the 71 votes needed to secure his removal. In a secret ballot, 62 deputies in the 141-member Seimas voted in favour of the no-confidence motion, 21 against it and 13 abstained.

While waiting for the result of a continuing Prosecutor's Department investigation, almost all political groups in Lithuania express public dissatisfaction with the bank's activities. The main accusations have remained the same for the past year. Last March Mr Vagnorius claimed that the bank had not made the necessary reforms in the financial market, nor prepared the technical means for the introduction of the Lithuanian national currency, the litas, nor enacted the needed credit emission, nor reconciled inter-enterprise debts.

Lithuania's acting president, Algirdas Brazauskas, criticised the bank in his annual report for its inability to deal with the problem of trade in unconvertible currency. He said that inadequacies in the bank administration meant that the government cannot settle accounts with a number of Eastern countries. The bank does not adequately control commercial bank activities.

The bank director rejects the accusations. "The problems in mutual payments with the East are a mere outcome of the collapsed Soviet economy," said Mr Baldisis.

The Bank of Lithuania has made three credit emissions, each time under protest, in accordance with government decrees. "It's impossible to start credits while financial

resources are lacking and industrial production is rapidly decreasing; it just stimulates inflation," says Mr Baldisis.

On January 1, 1992, the level of unpaid bank credits amounted to 740 million roubles. In 12 months it reached 11.2 billion talonas. Meanwhile, money in circulation grew from 41 billion roubles in July 1992 to 52 billion talonas in December.

Mr Baldisis maintains that the national currency could have been introduced by the end of 1991, and that sufficient banknotes have been available for some time.

A parliamentary commission in May 1992 found no evidence of fraud in preparations for the litas' introduction. Controversy had surrounded Mr Baldisis' handling of the printing contract.

Ways out of the crisis are currently being discussed in the parliamentary finance and budget committees. Kestutis Jasklevicius, the chief of the finance committee, forecasts three possible scenarios: first, the director will resign of his own accord, second, the parliament will finally pass the no-confidence motion successfully, or, third, the bank administration itself will force a resignation.

Russian Oil Concern Signs Agreement With Lithuania

934K0388D Tallinn *THE BALTIC INDEPENDENT*
in English 5-11 Feb 93 p 5

[Text] The Russian oil producing concern LUKoil has announced plans to make its presence in the Baltics more conspicuous in 1993. As a first step, LUKoil rented half of the Lithuanian Mazeikiai refinery on January 28 to process nearly six million tonnes of Siberian-extracted oil a year. Under the terms of the agreement 20 per cent of the oil products will be sold in Lithuania, which would meet nearly half the country's annual need.

The Lithuanian Prime Minister, Bronislovas Lubys, and LUKoil president Vagit Alekperov characterised the agreement as a "positive and mutually advantageous achievement". According to Mr Alekperov, the agreement "gives Russia opportunities to use its material resources more effectively". Mr Lubys, on the other hand, stressed the deal's benefits for Lithuania: an uninterrupted operation of the country's main refinery and 20 per cent of the output sold locally.

Visiting Estonia on January 29, Mr Alekperov said his company is planning to build 12 petrol stations in Estonia by the end of the year, to compete against the Finnish Neste and Swedish Statoil, the two major Western companies selling oil products in Estonia at the moment.

Interest Rates at Record Levels

934K0388E Tallinn *THE BALTIC INDEPENDENT*
in English 5-11 Feb 93 p 4

[Text] As inflation rises and the transitional currency, the talonas, slumps, Lithuanian interest rates have risen to record levels. Thus the economic slump has deepened, as new businesses find it ever more difficult to raise capital.

A talonas loan now costs a borrower up to 216 per cent a year. Depositors in the private sector banks receive 90 per cent, as opposed to around 20 per cent in the larger but less active state-owned banks. The rates lag well behind both inflation and the talonas' downhill slide against hard currencies. A measure of the demand for a "hard" hedge against inflation are the interest rates on hard currencies. A dollar deposit in a normal private bank attracts 16 per cent a year. In the shadier, unofficial banks which advertise in some Lithuanian newspapers, one-year deposits of more than US\$1,000 attract an interest rate of 50 per cent. Borrowers pay far more, however. The *monthly* interest rate for a typical hard currency loan is now 10 per cent, equivalent to an annual rate of around 314 per cent.

The result of the interest rate rises of the past three months has been to deter almost all private loan customers (public sector firms continue to receive "soft" loans through the state-owned banking sector). A typical recent casualty was a business which had been contracted by foreign customers to supply large quantities of frozen strawberries. Even with a Western-drafted business plan, and the required technology donated by an outside benefactor, interest charges and loan repayments would have kept the business in the red for the next three years. The would-be entrepreneur gave up.

The banks themselves expect to be the last to suffer. With relatively little loan exposure, and plenty of opportunity for non-traditional banking activity, such as property dealing, most are reporting a healthy financial position. "We take in 500,000 talonas a day from people who are frightened of inflation. We sell the talonas for dollars. Then the talonas goes down, and we sell the dollars for even more talonas to pay people back," explained one Vilnius-based banker bluntly.

Underlying the current inflationary spiral, however, are fundamental weaknesses in the private sector banks. Most are woefully under-equipped, usually occupying cramped rented offices, with no space for more computers or staff. Transfers which should take three days can take up to a month, and charges are high: an incoming telex transfer of funds can lose several per cent of its value before it ends up in the customer's wallet. Few banks have well-trained staff, and all complain of the incomplete legal environment in which they operate. Debt collection, for example, is practically impossible within the law. Even a loan directly secured on the borrower's house or flat cannot be collected if the debt goes bad.

Some bankers blame the authorities for having launched a monetary policy which placed excessive demands on an inexperienced and underdeveloped private banking sector. Others complain that the state banks enjoy unfair competitive advantages. For Lithuanian savers and borrowers, however, one thing is clear: they are receiving an expensive, inferior and risky service, with little chance to choose an alternative.

Central Asian States Focus of Lithuanian Trade Efforts

934K0388F Tallinn *THE BALTIC INDEPENDENT*
in English 12-18 Feb 93 p 5

[Article by Peter Morris: "Lithuania Rebuilds Central Asian Ties"]

[Text] Lithuania signed a free trade agreement with Kazakhstan on February 9 as part of its attempt to resurrect commerce with the resource-rich Central Asian republics.

Lithuanian Minister of Trade and Industry Albertas Sinevicius travelled to Kirghizia, Kazakhstan, Uzbekistan and Tajikistan in the first two weeks of February to secure agreements permitting the free flow of raw materials from the region to his country's manufacturing sector.

Lithuania processes Asian cotton, wool, metal and tobacco into finished goods worth an estimated US\$300 million.

Trade officials in Vilnius estimate that the country can sell nearly US\$200 million to the Central Asian nations in 1993. Export products include consumer goods, such as electronics, textiles and other light industries.

Kazakhstan was the third Central Asian republic to sign a free trade treaty with Vilnius. On February 8 the Lithuanian minister concluded a similar agreement in Tashkent, Uzbekistan. Four days earlier Mr Sinevicius signed a free trade and economic co-operation agreement with his Kirghizian counterpart, Andrei Iordan. Under the terms of the agreements, none of the countries may obstruct imports or levy customs tariffs on the products of Lithuania, and vice-versa. Additionally, each country will guarantee the safety of Lithuanian investments.

The trade minister expects to reach agreements soon with both Tadjikistan and Turkmenistan, Lithuanian deputy Trade Minister Raimundas Barcevicius said.

Tatarstan, an autonomous republic inside the Russian Federation, opened a trade mission in Kaunas this February. Tatar Vice President Vasili Likhachev visited Lithuania on February 3 and was received by Lithuanian Prime Minister Bronislovas Lubys, who said Vilnius needed closer ties with "all members of the Russian Federation".

Lithuania and Tatarstan signed a trade and economic co-operation agreement last autumn and plan to sign a free trade agreement soon. Spokesmen in the Lithuanian Trade Ministry were not sure, however, why such a treaty was necessary when a free trade agreement with Russia was in place.

Government Views Crime Situation as 'Critical'

934K0372A Moscow *ROSSIYSKAYA GAZETA*
in Russian 24 Feb 93 p 7

[Report by *ROSSIYSKAYA GAZETA* correspondent Yuriy Stroganov, Vilnius: "Shock Troops in Lithuania. Two-Thirds of Crimes Remain Unsolved"]

[Text] Police reports in Lithuania are beginning to resemble the plots of action movies. Here are just a few of the latest incidents. A body of man with a gun wound was discovered on the Kretinga-Mikoliskiai road. A police commissariat officer traveling in his car along the Parkuois-Linkuva road is shot at. A grenade is thrown into the apartment of another police officer in Panevezys. His wife was seriously wounded by fragments. In Vilnius, a door to a businessman's apartment is booby-trapped; two girls were injured in the explosion. A shooting at the Meta cafe in Kaisiadorys. Six people wounded. There are calls warning of grenades placed under kiosks. Not too many calls turn out to be "false alarms." Such a surge of activities on the part of criminal groups prompted Lithuania's Procurator General A. Paulauskas to make a statement that there is a mafia in the republic. Actually, citizens have long shed any doubts that organized crime exists. There were 34.6 percent more economic crimes and thefts registered in 1992 than in 1991. All in all, the number of crimes last year increased by almost 80 percent as compared with the last relatively quiet year—1989. More than half of them are thefts of personal property. There is a considerable increase in serious crimes, often of a terrorist nature. Two-thirds of crimes remain unsolved.

Shortly before he was elected president of Lithuania, A. Brazauskas, speaking in the Seimas, said that some criminal groups' connections reach as far as the ministries, customs, and law enforcement organs. In 1992 the most active criminal groups have been able to legalize some of their illegally accumulated property.

In the opinion of the Lithuanian authorities, the situation has become critical. The state's ability to protect the people, their life and property, is steadily diminishing. All of this forced A. Brazauskas to sign an edict on the formation of a coordinating working group for combating organized crime and corruption. This group is not intended to substitute for any state structures. Its purpose is to bring together the efforts of all law enforcement organs.

In A. Brazauskas' opinion, the crime surge is to a considerable extent abetted by difficulties in the republic's law enforcement system. The structure of internal affairs services and their activities have indeed been

damaged by hasty and thoughtless reorganization, due to which the activities of the most important services have been partially paralyzed.

The new Lithuanian leadership plans to allocate more means to attract and retain competent specialists and to provide material and information support for law enforcement organs.

Opposition Facing Changes

934K0389A Tallinn THE BALTIC INDEPENDENT
in English 29 Jan-4 Feb 93 p 7

[Article by Virgis Valentinavicius: "Lithuania's Opposition Faces Pressing Changes"; first paragraph is THE BALTIC INDEPENDENT introduction]

[Text] Analysis: Hostility to the LDDP is not enough, writes Virgis Valentinavicius.

In contrast to the unanimity of the ruling coalition, the opposition forces in the Seimas (parliament) are fragmented. To the right is the *Tevynes Santara* (Fatherland coalition); to the left stands the freelance opposition group of the Social Democrats. In the middle are the lonesome duo: the two members of the Centre Movement.

Fatherland members, for the time being, are united, but this display of concord has not yet been tested by events. Their main field of activity is mounting procedural challenges to the ruling party in parliament, which may be vital to democracy, but is hardly enticing to the suffering and impatient electorate.

When more substantial matters are discussed, ex-premier Gediminas Vagnorius plays an important role, despite the bad name he acquired during his period in office. His monopoly of Fatherland's economic policy is notably damaging to their chances, but his only heavy-weight potential competitor, his successor as prime minister Alexandras Abisala, is handicapped by not being a member of the Seimas. Supporters of the two men are rumoured to be at odds deep in the inner coils of Sajudis—smoke which may eventually flare up into a fire. Where Mr Landsbergis would cast his weight in the event of an open split is hard to guess.

As Sajudis languishes under continuing internal divisions, the beneficiaries are their partners in Fatherland, the Christian Democrats. The virtual leader of the party, former Foreign Minister Algirdas Saudargas, is proving to have a steady hand in domestic affairs. If Sajudis splits, Abisala supporters may move house in this direction.

By mid-January, the Social Democrats had given their official backing to the main anti-Brazauskas candidate, Stasys Lozoraitis, rather than their own former party chairman, Kazimieras Antanavicius. This belated decision points to the group's internal divisions, and its difficult tactical position. The SDs must oppose both Fatherland, and the LDDP (Lithuanian Democratic Labour Party). This has taken the form of a stand against

populism, notably when the right and left united around a proposal to index small savings accounts.

The Lozoraitis nomination has created a tacit pact between the once sworn enemies of right and centre. But centrist forces have good reason to fear that Lozoraitis may be "privatised" by Sajudis. Others have clearly had the same thought: the editor of the die-hard Landsbergisist daily LIETUVOS AIDAS, recently warned his party colleagues to keep a distance from Lozoraitis in order not to harm his chances with the centrists.

For the small centre parties (mostly not represented in parliament), Mr Lozoraitis' campaign offers a crucial chance to piggy-back their way into the limelight.

There is little doubt that the opposition is still in an early stage of development, and has many phases of change to go through. Mistakes are abundant. But the existing diversity of attitudes must offer the best remedy. A many-voiced, if discordant opposition possesses a distinct, if uneasy advantage over the behemoth tones of the majority monolith.

Sajudis Looks to Future

934K0389B Riga THE BALTIC OBSERVER
in English 5-11 Feb 93 pp 1, 9

[Article by Tony Hall: "Sajudis Starts Again"]

[Text] Until last fall, Vytautas Landsbergis was Lithuania's knight in yellow, green and red shining armor. He gave life and color to the heroic character on horseback who graces Lithuania's coat of arms. But the patriotic chairman of the past parliament could not have wrapped himself or his Sajudis party tightly enough in the country's tricolor flag to escape the body blows from November elections.

The Sajudis movement, which led Lithuania to independence, has gone from a 97-member parliamentary force elected in 1990 to a 24-person numerical fraction of the present 141-member Seimas (parliament). Landsbergis, Sajudis' leading man, stepped off his horse in January after deciding against a run for president in February 14 elections. The last polls before Landsbergis' announcement gave him 10 per cent popular support in Vilnius, the Sajudis stronghold.

What knocked Landsbergis and his party of anti-Soviet freedom fighters so far out of favor? Landsbergis blames Russia, its intelligence agents, and other "assorted liars."

"When I was parliamentary chairman all the time there was this murmur that I was a sort of Kremlin dictator," Landsbergis says. "I expressly avoided being such a power, just so that such questions wouldn't come up. But all the time and even in the Western press it read that Landsbergis is a dictator. Such a dictator! All he did was sign documents and shake hands."

A finger also points at the former KGB, still a present reality in Lithuania to Landsbergis.

"It sends people to the lines for bread and meat," he says. "Then someone starts saying how hard it is to wait in lines, and another comes up beside and says 'Well, go and say thanks to Landsbergis.'"

Landsbergis says this highly personal defamation campaign has been documented in a book by a former KGB agent based in Norway. Romas Sakadolskis, chief of Lithuania's Voice of America service, doesn't dispute this. But he points more to internal decay rather than external blows as the cause for Sajudis' fall from power.

Since 1990, Sajudis has been undergoing a transformation from broad-based movement to focused political party, Sakadolskis says. The change was led by right-wing thinkers. More than half of the 35 founders of Sajudis were experienced Communists, who Sakadolskis calls the "institutional rebels" within the Communist system. Unlike Lithuania's slower developing Centrists and Social Democrats, the rightists were prepared early.

"The people who knew what they wanted became the structure," Sakadolskis explains.

Unfortunately for Sajudis, these people in the know were 30 months slow in comprehending their national popularity. After sweeping into parliamentary power in March 1990, municipal elections in May showed a broom heading in the other direction: 25 per cent voted for Sajudis while 75 per cent went to the former apparatchiks.

Sakadolskis says: "At that time I talked with some people who did the real hard work in the backwaters and they said 'My God, these people in Vilnius don't see the signs, the signs are there. Something's wrong. The revolution has not been carried to fruition. It's been sort of halted at the top.'"

One possible culprit in this is inbred Soviet thinking of a revolution coming down from above, Sakadolskis suggests. Andrius Kubilius says it's simple neglect.

"Those who worked in the Supreme Council [Lithuania's former parliament] earlier versus those serving in the current Seimas hopefully have different understandings," says Kubilius, Sajudis' executive secretary. "Now we are trying to instill in them responsibility for Sajudis in their districts, that is if they want to be reelected in the next national vote."

Landsbergis has a simple view of how to regroup his troops.

"In practical speech it's not very complicated," he says. "We need to be really meeting with the people, not just the ones who are already on our side. We have to find those who don't believe. The ones who don't believe have heard that Sajudis has done a lot of bad, that a lot of difficulties come from them. Sajudis didn't have the

right politics so Russia raised prices. Seriously, these are all very foolish arguments. But all of this we need to explain."

In Sakadolskis's view, the future of Sajudis does not rest on Landsbergis, despite what many party members say. He points to previous prime minister Aleksandras Abisala and former state controller Kazimieras Uoka as harbingers of what Sajudis' next generation should be. Sakadolskis likes Uoka, he says, "even though the man is fire and brimstone. He talks about the 'devil' [the ruling Lithuanian Democratic Labor Party, or LDDP] having to be removed."

And if Uoka needs an experienced exorcist, or eternal optimist, Landsbergis will be waiting.

"I am of the mind that if the LDDP wins the presidential elections, we will still find some way to stop them," Landsbergis says.

Ignalina AES Employees Leaving Lithuania

934K0389C Riga THE BALTIC OBSERVER
in English 5-11 Feb 93 p 3

[Text] No radiation leaks have been reported at Lithuania's Ignalina nuclear power plant lately, but a stream of people are leaving the area. A total of 2,747 or 8 per cent of the residents of Visaginas, mostly populated by Ignalina employees, renounced Lithuanian citizenship and left the country in 1992, according to the newspaper RESPUBLIKA. Another 70 people have left Visaginas this year.

The main reasons cited—a language barrier, concern about the future of children, and unemployment, which mainly affects the plant's construction employees.

Law Allows Employees Control of Enterprise Shares

934K0389D Riga THE BALTIC OBSERVER
in English 5-11 Feb 93 p 7

[Text] The Lithuanian parliament has amended its *Law on the Priority of Workers to Obtain Shares of Privatized Enterprises*. As a result, the employees of enterprises undergoing privatization will be able to continue controlling packages of shares in the new firms.

Employees will now be able to purchase up to 50 per cent of the founding capital on favorable terms at a nominal price. Earlier the quota had been 30 per cent.

In this way, workers will be able to maintain a controlling interest in their workplace. Until now, this was very difficult for the most successful enterprises, since the cost of shares surpassed the purchasing capabilities of the employees' incomes.

These amendments will also stimulate the privatization of less popular enterprises, by giving more people the opportunity of purchasing stock (BNS).

REGIONAL AFFAIRS

Balts Resist Troop Influx*934K0380A Tallinn THE BALTIC INDEPENDENT
in English 12-18 Feb 93 p 3*

[Article by Tarmu Tammerk]

[Text] All three Baltic States have received fresh requests from Moscow to accept new troops to help with the repatriation. The issue erupted into a major controversy in Estonia after the country's Defence Minister, Hain Rebas, gave his permission for 250 troops to enter the country, only to withdraw it a few days later.

Latvia, which received similar requests from Moscow, has so far resisted. So has Lithuania, although more than 900 Russian troops were smuggled into the country illegally at the end of January. Russia has offered no official explanation regarding the incident.

The opposition Centrist faction in the Estonian parliament has accused the government of giving in to pressure from Russia and threatening Estonia's "international standing".

"The government has created a dangerous precedent that previous governments avoided," said ex-premier Edgar Savisaar, now deputy speaker of the Estonian parliament.

According to the opposition, up to 270 new troops were brought into Estonia, with the permission of the Estonian authorities, in January of this year. The Centrist faction demands that the government takes measures to make these troops leave the country within three days. A statement issued by the Centrists said that it was particularly worrying that while the number of Russian troops outside Tallinn was diminishing, their presence in the capital was growing.

The government denied the claims, dismissing them as "party-political propaganda". "There has been no change in Estonia's policy as far as our relations with Russia are concerned," Foreign Minister Trivimi Veliste said.

Juri Luik, government minister in charge of negotiations with Russia, said no Russian troops had received permission to come into the country. But, he added, the Centrist proposal to guarantee the withdrawal of all Russian troops from Tallinn within a month is unrealistic. Previous Estonian governments had demanded a complete pull out from the capital by the end of 1992. All three Baltic States fielded this demand, but Vilnius remains the only Baltic capital free of foreign troops.

Moscow's latest request to Latvia came on February 9 when the command of the North-Western Group of Russian forces asked for permission to bring 328 troops into Latvia. Latvian officials said they could only grant permission after receiving a timetable from the Russian forces detailing their withdrawal.

On a rare visit to Estonia on February 9, Major General Leonid Mayorov, head of the Russian North-Western Army Group, again raised the issue of bringing more troops into Estonia. In a meeting with the Estonian President Lennart Meri, Major General Mayorov also asked for permission to conduct "proper military exercises" in Estonia. Estonian army officials failed in their attempts to get any figures on the Russian forces remaining in the country.

Tallinn Raises Finno-Ugric Rights*934K0380B Tallinn THE BALTIC INDEPENDENT
in English 5-11 Feb 93 p 3*

[Article by Tarmu Tammerk]

[Text] Estonia played a new card in the propaganda war with Russia over minority rights by raising the issue of Finno-Ugric communities living in Russia, endangered by Moscow's industrial policies.

Speaking at an Estonian-Hungarian summit meeting in Budapest on January 27, Estonian Prime Minister Mart Laar urged his Hungarian counterpart Jozsef Antall to join forces in protecting the Finno-Ugric minorities living in the Russian Federation "who are on the brink of extinction due to aggressive Russian oil exploitation."

Mr. Laar highlighted the plight of the 25,000-strong Khanty population around the city of Tyumen, who are being "treated similarly to American Indians in the past."

"Alcohol is delivered to them, they are chased away from their dwelling places and have been subject to wilful negative discrimination for a considerable time," he said. "The Khanty are ready to choose armed resistance if Russian oil exploitation reaches their shrines." The Khanty are Hungary's closest relatives in Asia.

The meeting of the two leaders was the first such high-level contact in the relations of Hungary and Estonia. Mr. Laar proposed to call a Finno-Ugric summit this coming summer either in Tallinn or Helsinki. The summit would be attended by the leaders of Estonia, Hungary and Finland, the three Finno-Ugric peoples who have independent states.

Mr. Laar also discussed the issue with his Finnish counterpart Esko Aho in Davos at the World Economic Forum, and said the response was "positive".

Previous Estonian leaders have also spoken of the need to further ties among the Finno-Ugric peoples. As one solution to the Estonian-Russian border dispute, for example, former President Arnold Ruutel was advancing the idea of setting up a Finno-Ugric region behind the Narva River, where the Vepsic people used to live. For some years, a foundation called Fenno-Ugria has operated in Estonia, uniting about 20 different organisations.

Group Opposes Blanket Citizenship for Russians

934K0380C Tallinn THE BALTIC INDEPENDENT
in English 12-18 Feb 93 p 3

[Article by Lya Oll]

[Text] A new foundation has been set up in Estonia to fight the government's plan to give legal status to Russian-speakers who settled in the republic during the 50-year Soviet occupation. Adoption of the law would mean the "voluntary Russification" of the country, leaders of the Estonian Decolonisation Foundation said at a press conference on February 9.

The Decolonisation Foundation is an independent organisation aimed at outlining Estonia's demographic policies, gathering, analysing and spreading information on the population processes and promoting peaceful re-immigration of Russian-speaking immigrants.

The leaders of the organisation call for "velvet" re-emigration. Their final aim is to increase the Estonian share of the population to 80 per cent, from the present 63.5. This, according to Juri Estam, one of the chief organisers, would "give the Estonians' a feeling of security", reassuring them that they will not become an ethnic minority in their own country.

The Foundation is emphatic that certain groups among the Russian-speakers must leave, referring to categories such as former KGB and intelligence workers, and retired Soviet army officers.

In their public statement, they called on the government to impose a four-month moratorium on the drafting of the law on aliens and to put the issue to nation-wide referendum. Legislation allowing Russian settlers should be selective, they believe. "Letting all Russians stay would be a justification of the occupation," said Aadu Rast, a representative of Estonians persecuted during the Stalin era.

Calls for decolonisation were high on the agenda during the election campaign last autumn. But since coming to power, the right-wing Fatherland coalition has never referred to the issue. To the surprise of Fatherland supporters, the government now advocates "the integration of all immigrants". Interior Minister Lagle Parek has said it would be perfectly permissible to have the Tallinn city council made up of non-citizens only, "if they were lucky at the elections".

Narva Factories Face Hard Times

934K0380D Tallinn THE BALTIC INDEPENDENT
in English 12-18 Feb 93 p 5

[Article by Lya Oll: "Hard Times for Narva Factories"]

[Text] Talk of an "iron curtain" descending between Estonia and Russia is groundless, economist Aimar

Altosaar said in response to the Narva town council's claims that the government's economic policy was deliberately anti-Russian.

In past weeks the Narva town council chairman Vladimir Chuikin claimed that the town's major industries have closed down due to Estonia's poor relations with Russia. The city of Narva sits on the Narva river, the de facto border between Russia and Estonia, and its inhabitants are over 90 per cent Russian speaking.

Mr. Altosaar, an advisor to the Estonian government, said that the closing of bankrupt industries in Narva, notably the Kreenholm textile mill and the Baltijets engineering plant, were for financial and not political reasons.

The Kreenholm textile factory in the northeastern town of Narva sent most of its 7,000 workers on unpaid leave on February 1, Oleg Klushin, the director of the factory, told *The Baltic Independent*. The factory will work at only 10 per cent capacity for about two weeks, he said, because of an unexpected delay in cotton deliveries from the Central Asian republics.

This is not the first time the factory has been forced to cut production, Mr. Klushin said, explaining that financial difficulties have been causing temporary stoppages since October last year. Since then the factory has operated at only one third of its actual capacity. But, he added, they are reluctant to lay off people because they would not likely find new jobs in Narva where the state-owned Kreenholm factory is one of the major employers. Still, about 3,000 people have left Kreenholm over the last three years, he said.

The difficulties in keeping production going stem from a financial crunch, a situation which is hard to solve without a massive cash infusion. Mr. Klushin was confident that they could sell most of their products to the West if only they had enough money to buy cotton first. Negotiations for loans are in progress and the Estonian government has agreed to vouch for the factory. Kreenholm needs about US \$1.6 million a month to operate at full volume, according to Mr. Altosaar.

The Baltijets engineering plant has put half of its workers on three-month leave, while the new management of this former Moscow-run military factory has begun implementing an "anti-crisis" programme. Mr. Altosaar believes there are indications that the programme is bringing results: "In less than a month the new management has been able to stop the production decline. Wages were paid to those who worked in January and those on forced leave got 180 kroons [a month] each."

The town council has also suggested building a temporary pontoon bridge across the Narva River and erecting a "joint" border checkpoint with Russia a few kilometres north of Narva. This would replace the present border checkpoint in the town centre and prevent the building

of a new one as planned by the government. At the end of last year, the town council banned the building of a new border post in Narva.

The suggestion of the town council was called "utopian" by Henn Karits, a spokesman of the Estonian border defence department, who pointed to the high cost and the lack of proper roads in the suggested areas as the major shortcomings of the town council's plan.

The border defence department will finish the building of the new border post in the centre of Narva by March as scheduled, he said. Opposition by the town council to the border post has to be defused at the governmental level, he said.

HIV-Positive Estonians Launch Self-Help Groups
934K0380E Tallinn THE BALTIC INDEPENDENT
in English 5-11 Feb 93 p 10

[Text] Behind a veil of secrecy, the first conference of HIV-positive Estonians was held in Tallinn on January 30.

Out of 29 registered HIV carriers in the republic, twelve attended this inaugural meeting, and an additional five have said they want to be involved in the future. Some of those who did not attend said that they were afraid of being revealed in public as HIV carriers.

"Tallinn is such a small town," said AIDS specialist Dr. Nelli Kalikova, who helped organise the conference, "and secrecy is helping them stay together."

The conference will meet periodically to provide support to HIV-positive Estonians and AIDS sufferers. The group also hopes to establish links with similar organisations abroad, and to play its part in educating the Estonian population about the risks of catching the virus.

"When you get to know that you are HIV-positive, it is a terrible shock," said the conference's elected president, a gay man who wishes to remain anonymous. He added that he hopes the support of others infected with the virus will make it easier to cope.

The president was the first person in Estonia to be declared HIV-positive, five years ago. "To be quite honest, I drank for three days [after finding out]," he recalled.

He also said he hopes to be able to raise funds to care for those in the group who develop AIDS. No legislation exists on this issue, so the members of the conference have no idea how or if future AIDS sufferers will be cared for.

As yet, there have been no reported cases of the virus being transmitted other than by sexual contact, though one member of the conference was infected by heterosexual intercourse and was not considered a member of a 'high risk' category.

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